United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 105th CONGRESS, FIRST SESSION

Vol. 143 WASHINGTON, THURSDAY, JULY 31, 1997 No. 111

House of Representatives

The House met at 10 a.m.

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

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

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

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

THE JOURNAL

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

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

PLEDGE OF ALLEGIANCE

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

Mr. EVERETT led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

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

H. Con. Res. 98. Concurrent resolution authorizing the use of the Capitol Grounds for the SAFE KIDS Buckle Up Car Seat Safety Check.

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

H.R. 1866. An act to continue favorable treatment for need-based educational aid under the antitrust laws.

H.R. 2169. An act making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1998, and for other purposes.

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

WELCOME TO REV. DON BOWEN

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

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

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

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

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

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

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

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

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

TAX RELIEF

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

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

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

MOLLIFYING BOB DORNAN

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

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

The victory of the gentlewoman from California [Ms. SANCHEZ] over Bob Dornan was certified by the Republican secretary of State of California. It is valid. However, Bob Dornan cannot get over the fact that he lost to a Hispanic woman, and for some unknown reason he can command the Republican leadership to jump to attention and harass the gentlewoman from California [Ms. SANCHEZ] for over 9 months now.

Mr. Speaker, it is not in the public interest to spend hundreds of thousands of dollars to hold a kangaroo court aimed at nothing other than political payback. The people of the 46th District of California have chosen their Representative, and we should respect their choice.

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

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

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

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

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

☐ 1015

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

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

Mr. ROMERO-BARCELÓ. Mr. Speaker, I rise to speak to the $24 billion children's health initiative contained in the budget reconciliation agreement. The President has stated that this is a victory for every child in a poor household who needs health care. Unfortunately, there is no victory celebration by the children in Puerto Rico and the other territories.

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

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

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

STEP 21 FOUNDATION BASED ON GREED, NOT FAIRNESS

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

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

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

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

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

FBI LEAKS TO PRESS ARE NO MISTAKE

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

Mr. TRAFICANT. Mr. Speaker, Louis Freeh said the FBI did not leak the name of Richard Jewell as the Atlanta bomber to the press. Who is kidding whom? Every policeman in America knows it is a common practice of the FBI to leak information to the press.

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

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

A DAY FOR CELEBRATION

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

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

The last time Congress and the White House reached an agreement on a tax package was in 1993, and at that time taxpayers were not celebrating. They were not celebrating because that tax package was the largest tax increase in U.S. history.

So today marks a much different kind of agreement. We are going to allow working men and women to keep more of their money and we are going to give less money to the U.S. Government.

A GENUINE COMMITMENT TO EDUCATION

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

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

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

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

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

TAX REDUCTIONS BENEFIT FARMERS, SMALL BUSINESSMEN

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

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

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

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

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

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

CONGRESS SHOULD VOTE TO END SOFT MONEY FOR NEXT ELECTION

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

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

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

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

FAMILY FINANCE QUESTIONS SHOULD COME FIRST

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

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

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

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

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

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

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

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

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

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

CONGRESS IS GIVING CHILDREN OF AMERICA THE GIFT OF ECONOMIC SECURITY

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

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

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

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

DEMOCRATS STOOD UP AND FOUGHT FOR HARD-WORKING FAMILIES

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

Ms. DELAURO. Mr. Speaker, I rise today to remind my Democratic colleagues of what we can accomplish when we stand up and fight for what we believe in.

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

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

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

TODAY MARKS A START IN REVISING TAX SYSTEM AND TAX PHILOSOPHY IN UNITED STATES

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

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

The only bad news in the bill for working families today is it is going to be 6 months before they begin to see what really happens when they have their money back instead of the Government having that money.

A $500-per-child tax credit means to a family of three, a working family of three, $125 every month that the Government has been spending that they can now start spending next year. It is going to make a difference.

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

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

DEMOCRATS MADE TAX BILL BETTER FOR WORKING FAMILIES

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

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

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

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

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

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

□ 1030

THREAT TO FREEDOM, TOO MUCH POWER IN HANDS OF GOVERNMENT

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

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

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

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

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

TAXPAYER RELIEF ACT

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

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

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

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

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

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

GREAT DAY FOR EVERY AMERICAN

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

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

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

TAXPAYER RELIEF ACT

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

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

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

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

MESSAGE FROM THE PRESIDENT

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

MESSAGE FROM THE SENATE

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

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

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2015) ''An Act to provide for reconciliation pursuant to subsections (b)(1) and (c) of section 105 of the concurrent resolution on the budget for fiscal year 1998.''.

CONFERENCE REPORT ON H.R. 2014, TAXPAYER RELIEF ACT OF 1997

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

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

The Clerk read the resolution, as follows:

H. RES. 206

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

Mr. DREIER. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Texas [Mr. FROST]. All time yielded is for the purpose of debate only. Mr. Speaker, I yield myself such time as I may consume.

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

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

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

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

The American family has not seen tax relief from their excessive Federal tax burden since 1981. Taxes eat up too much of the average family budget. I am honored to represent many working families who, unfortunately, pay more in taxes then they spend on food, clothing, and housing combined. Hard working people who save for retirement or struggle to build a small business or family farm see Federal taxes eat up far too much of their savings and investments. The Archer bill will help to address those problems.

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

Let us face it, Mr. Speaker, many Americans did not believe that we would deliver. Commitments from elected officials mean little or nothing to those disillusioned by broken promises of big government and high taxes.

A Washington Post columnist, David Broder, once described the President's trust deficit with the American people as even more damaging than the budget deficit. Congress is helping to eliminate both.

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

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

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

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

Combine the achievement of those bedrock Republican Party goals with the expansion of free trade through the North American Free Trade Agreement and the GATT Uruguay Round of the General Agreement on Tariffs and Trade in the 103d Congress and the election and historic reelection of the Republican Congress, and we can make the case that President Clinton has compiled one of the most impressive Republican legacies of any President in this century.

Mr. Speaker, the Republican-led Congress has put policy ahead of blind partisanship. I congratulate the President for working with us to make Government a more cost-effective vehicle, for improving the standard of living of the American people.

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

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

Mr. Speaker, at the end of the day, when this tax package is taken apart, it will be apparent that House Democrats, who have throughout this debate insisted on fairness, have been successful. What started out as a bill cutting taxes solely for the benefit of the wealthiest among us, while denying any sort of tax relief to those who really need it the most, has been modified to meet the fairness test.

My Republican colleagues have for months insisted that working families who make less than $30,000 a year do not pay taxes and should not get a tax break. But House Democrats have stood fast and insisted that young families with children, those families just starting out in life who are trying to make ends meet, perhaps pay a mortgage, take the kids to McDonald's and maybe see a movie every once in a while need a tax break also.

Why, we wondered, should a family making $29,000 a year be denied tax credits? Who says they do not pay taxes? Not the Democratic Members of the House, that is for certain. We know that everyone that works pays taxes. We all pay income tax, but we also pay Social Security and Medicare taxes, State income taxes, and unemployment taxes. Those taxes count every bit as much for the family making $29,000 a year as they do for a family making twice or three times as much. Maybe they count even more.

And so, in the end, Mr. Speaker, Democrats have prevailed in our position. This bill will provide the tax credit for every family with children under the age of 17 who make $18,000 or more a year. That is what Democrats stood for, and that is what Democrats achieved.

Democrats have stood firm in our insistence that education be a top priority in this bill and we joined with the President in insisting that the HOPE scholarship program be instituted to make the first 2 years of college as universally available as a high school diploma is today.

We need more opportunities for our young people to advance their education, and Democrats insisted that this package provide a way for everyone to continue education. And this package does that. We have components of this package which will go a long way toward ensuring that our work force in the 21st century is productive and globally competitive.

Democrats stand for things like penalty-free IRA withdrawals for undergraduate, post-secondary vocational, and graduate education expenses. Democrats stand for tuition tax credits for juniors, seniors, undergraduate students, and for working Americans who are seeking to enhance or upgrade their skills. Democrats stand for things like education savings accounts and for extending the exclusion of employer-provided undergraduate educational benefits.

Mr. Speaker, since those things are in this tax bill, Democrats achieved what they stand for. Mr. Speaker, the fact that this tax bill provides for families and for those Americans who want to pursue an education make this bill much more palatable to Democrats. But I should point out that in spite of the infusion of fairness in this package, our Republican colleagues have managed to ensure that the upper end of the income scale has been taken care of.

☐ 1045

I wonder how many of us really understand that the child tax credit is available in some form for couples with adjusted gross incomes up to $150,000 a year. Democrats are, of course, in the minority in the House and we cannot win on every point, but I do find it interesting that a party that was so willing to deny this tax credit to families making less than $30,000 a year is now so willing to extend it to families making five times that much.

However, Mr. Speaker, that we are in a position to be able to discuss a balanced budget and tax cuts simultaneously is because 4 years ago, this House, or should I say the Democrats in this House, passed a deficit reduction package that has now produced an economy that is so healthy and so productive that our deficit has fallen by 75 percent since 1993. When the House passed that package, Mr. Speaker, it was done without a single Republican vote. It was done, Mr. Speaker, while the current Republican leaders lamented loudly that it would send the economy straight down the tubes.

Yes, as my Republican colleagues are so fond of pointing out, that deficit reduction package did contain some tax increases, but I would like to remind my colleagues that those increases were aimed primarily at the upper end of the economic scale, at those people who are doing so well today that the stock market has soared in value, so much so that it has increased in value by 50 percent in the past 2 years.

That deficit reduction package which the Republicans opposed unanimously set the stage for the action of the Congress this week. That package created an economy which this year has the lowest unemployment rate in 24 years and has created 12.5 million new jobs. I voted for that package in 1993, just as I voted for the spending cuts on Wednesday. I voted to bring Federal spending under control and to balance the Federal budget for future generations.

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

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

Mr. DREIER. Mr. Speaker, I was very privileged to come to the Congress in 1981 and vote for the Economic Recovery Tax Act of Ronald Reagan. I did so along with my very dear friend from Glens Falls, NY, the distinguished chairman of the Committee on Rules.

Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Speaker, I thank very much the gentleman from California, the vice chairman of the Committee on Rules, for yielding me this time.

Yes, Mr. Speaker, the gentleman from California [Mr. DREIER] is right. I had been here for a couple of years before he and Ronald Reagan arrived. With the gentleman and Ronald Reagan and the gentleman from Texas [Mr. ARCHER] in the back here, and the rest of us Republicans, we began to change the philosophy of this Government, we began to cut taxes, meaningful tax cuts and shrink the size and the power of the Federal Government to go along with it; and yes, Ronald Reagan's legacy lives on and is being carried out today.

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

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

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

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

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

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

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

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

Mr. Speaker, contrary to what we are going to hear from the other side of the aisle, the majority of this tax relief, more than 72 percent of it, will go to middle-income wage earners, families making between $20,000 and $70,000 a year. This will better enable all American families to care for their children, to improve their communities, and represents a good first step in rolling back the high level of Government interference which has grown out of all proportion over the last 20 to 30 years.

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

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

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

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

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

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

This agreement cuts Federal taxes $95.2 billion over 5 years, nearly $10 billion more than the House-passed bill. Why did that happen? Because it was the Democratic caucus that forced that increase so that tax cuts could come to those lower-income families who earn the earned income tax credit. They too can get a child tax credit. This effort stands and represents those who are least vocal and most vulnerable. It gradually raises the amount exempt from Federal estate taxes to $1 million, and it makes IRA's more widely available, so to encourage Americans to save.

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

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

To my family farmers, let me say we heard your voices. I am from an urban district, however most of my constituents have come in from the rural areas and their families are still harvesting the crop on small family farms. How gratified I am to be able to give them a $1.3 million unified tax credit, something that will start not 7 years down, not the year 2000-and-something, but January 1, 1998.

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

And then we understand that there are some of us that can save a few more pennies. We can save a few more pennies, those of us who do that, by a deduction of up to $2,500 on interest for qualified student loans.

Mr. Speaker, I realize that we cannot come to this floor and abdicate our responsibilities, and so I say to Members that I am going to be a diligent student of this tax plan. I am going to be watching whether there is a potential of exploding the deficit in the outyears and be at the fight to correct and fix what may damage the most vulnerable of this Nation.

☐ 1100

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

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

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

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

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

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

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

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

I could recall just a few recent years ago when some of our Democrat friends were daring to lower the threshold of the estate taxes from $600,000 down to $200,000. That sent a shock wave throughout America, throughout rural America particularly, and now family farms and residents and estates will now be exempt from that heavy hand of the death tax. It has been a long time coming, but it is here.

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

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

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

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

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

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

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

Vice President come to me, he said, ''I can't believe, Jim, you take this position.''

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

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

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

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

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

Our Government is working.

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

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

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

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

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

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

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

For families trying to pay bills, that is most of us, we have provided a $500 per child tax credit. That is $500 more that you can use for things like school clothes or taking the kids for a summer vacation, some have not been able to do that, or anything else that they choose to do, because the bottom line here is that the people are going to decide what they are going to do with their money, not the folks here in Washington who may have a different idea about how to spend it.

For senior citizens about to embark on their retirement, and many of those come to Florida and my district, we have cut the capital gains tax so they can sell some assets without Washington confiscating, ''confiscating'' is the word I choose, nearly one-third of the gain.

But most importantly, as we look to the future of our children, we have made it easier for young Americans to get a college education, and I see lots of young Americans around this building this time of year.

Our package is going to allow Americans to withdraw tax free from new super IRA's to pay for college education expenses. This commonsense provision was part of our Contract With America, many will remember, and I am pleased that these new American dream savings accounts are soon going to be an option for all Americans.

We have also created the HOPE scholarship, which will provide $5,000 in credits for individuals who wish to go to college or get a graduate degree.

Mr. Speaker, these are the right kind of incentives, and I hope that Americans will take advantage of them, and I know they will take advantage of them because I talk to Americans every day who are looking for these things.

As my friend from California [Mr. DREIER] knows, though, we are far from done. We need to come back next year to zero out the capital gains tax and eliminate the marriage penalty as well, send the right incentive about our family values. We need to repeal the Clinton tax hike on Social Security benefits, particularly of doctors. This is such an onerous benefit on senior citizens who are on fixed income, and I have again a great many in southwest Florida, where I represent, have the honor to represent, and these folks get taxed who cannot afford to pay the tax. They are on fixed income, they are beyond their earning years, what do they do? This is a tax that needs to be repealed. We have not got it done here today. It is a target for tomorrow. The Clinton administration was wrong on that tax, and they should help us in that effort to repeal it. But most of all, we need to have comprehensive reform to simplify and flatten our convoluted, incomprehensible, and unfair Tax Code, and that lies ahead for us to do as well.

I know that when I return to my district in southwest Florida and other colleagues return to their districts around the country we can now look constituents in the eye after we pass this bill and say ''Look, next year Uncle Sam's tax bite isn't going to be quite as bad because we're listening to you and doing the job you asked us to do.'' I think we are going to be able to let them know that more of their money and decision making is going to stay with them, their own individual responsibility, and I think that is a great trend and a great sign for America. That is what we are great at doing so well together, is making the decisions.

I urge support of this rule and the very important tax cuts that it makes in order.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Oregon [Mr. DEFAZIO].

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

Mr. Speaker, here we are today on the last day of this session of the Congress before the big recess engaged in the big lie, the big lie. This is a balanced budget agreement. Well, after we voted yesterday, the Congressional Budget Office came up with an analysis, and the analysis is, guess what? Deficits have gone down for the last 5 years, but next year for the first time in 5 years they will go up and we will double the deficit by 1999.

The American people know we cannot give away huge tax breaks, increase spending, and balance the budget. Congress did this once before in the early 1980's, and guess what. Three years later they came back and they had to repeal substantial portions of what they did.

This bill today will reduce revenues to the Federal Government by $275 billion over 10 years, and it is going to balance the budget. This is great. We are going to have zero tax on capital gains, the Republicans tell us now by next year, and that will balance the budget. We will not tax capital gains, but all those little people who work for wages will pay taxes, and that is how we will balance the budget.

What an absurd and very, very cynical assertion on their side of the aisle. Listen to a few things in here:

Simplify foreign tax credit limitation for dividends from 1,050 companies to provide look-throughs starting in 2003. Now all the middle-class Americans out there looking for that foreign deduction for the look-through starting in 2003, that is a billion dollar gift. Well, I am sure that a lot of my constituents, average working Americans, are looking forward to that.

Then we have the capital gains provisions, $21 billion, and now they say they want to repeal the tax.

Had a young woman in my office yesterday. She wants to become a neurosurgeon. We talked a little bit. She said, ''What does this mean?''

I said, ''It means if you become a neurosurgeon, you earn $250,000 a year, you'll pay 40 percent of your income in taxes. But the rich kid who went to college with you who has not worked a day in his or her life who then just invests for a living will pay taxes at half that rate.

She was outraged. She said, ''How can that be fair?''

Well, they are saying it is not fair, the rich kid who inherits the money tax free should pay zero income tax his or her entire life; that is the Republican position. That is absurd.

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

☐ 1115

That is for middle-income America. Sure it is, Mr. Speaker.

Then we have the subtotal here for gift and generation-skipping tax provisions, which they call estate tax relief, $35 billion. So the sum total here today is $275 billion in tax rates; crumbs for the middle class, and just wonderful bounty for the wealthiest in America.

Mr. DREIER. Mr. Speaker, I am happy to yield 3 minutes to the gentlewoman from Columbus, OH [Ms. PRYCE], the hardworking Secretary of the Republican Conference and a member of the Committee on Rules.

Ms. PRYCE OF Ohio. Mr. Speaker, I thank the hardworking gentleman from California [Mr. DREIER], who has fought so hard over the last several years for tax fairness, for yielding me this time.

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

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

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

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

It is time to recognize that an economic system that allows individuals and families to create opportunities for themselves and their communities is infinitely more preferable than government barriers to entrepreneurship and innovation.

Mr. Speaker, it is hard to find someone this Taxpayer Relief Act does not help. To ease the financial burden on families with children, this plan includes a $500-per-child tax credit. There is capital gains relief. There is estate tax or death tax relief, as it should be called. There is an equally important provision to make higher education more affordable, to expands IRA's and to increase tax deductions for the self-employed.

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

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

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

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

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

We rely in this country on taxpayers, voluntarily collecting from people. We have a basis in this country of fairness. This bill is unfair. It is unfair to give somebody making $30,000 with two kids and trying to deal with all that is involved in raising a family $1,000 for their kid credit, while somebody making $109,000 gets an average of a $16,000 tax break on their capital gains.

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

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

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

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

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

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

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

I realize these are technical terms and technical provisions, but a real attempt was made in this bill to close tax loopholes. In return, we get an expansion of individual retirement accounts.

This bill basically makes for three types of IRA's. The first would be similar to the current model, but it would greatly expand the number of people who can be in an IRA, and particularly housewives or household members who are not working outside the home will be included in this.

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

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

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

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

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

When the vote occurs later in the day, Mr. Speaker, on this conference report, a significant number of Democrats will vote in favor of it. I would point out to those watching this proceeding on television that no Democrats who are going to vote in favor of it have asked for time during this debate. The only Members who have asked for time are the ones who are opposed. The Committee on Rules grants the time to the Members who come to the Chamber and ask for time.

Mr. Speaker, I yield 3 minutes to the gentleman from Rhode Island [Mr. KENNEDY].

Mr. KENNEDY of Rhode Island. Mr. Speaker, I thank my colleague from Texas for yielding time to me.

Mr. Speaker, the reason I am going to be voting against this tax cut is that I do not think it is good public policy for this country. I came in in the 104th Congress and I heard a lot from my Republican colleagues how they wanted to balance the budget, reduce deficit spending, preserve prosperity for the future of this country. Guess what? Two years into the leadership, guess what they do? They go back to the voodoo economics that got us into this deficit dilemma to begin with.

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

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

Why are they going to have to wait an additional year to get their measly $435 a month? Because we want to give a $16,000-a-year tax break to the wealthiest 1 percent in this country. Does that sound fair to the Members? I do not think it does. But do Members know what this rule does? It shoves this tax bill down the throats of the American people, because they do not know what is in it. They do not know what is in it.

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

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

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

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

Mr. KENNEDY of Rhode Island. Mr. Speaker, will the gentleman yield?

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

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

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

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

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

Mr. SANDERS. Mr. Speaker, yes, I also am opposed to this absurd bill. I think that millions of Americans will wonder why many leaders in the Democratic Party and the Republican Party have come together on such an unfair piece of legislation which primarily benefits the very rich at the expense of millions and millions of other people.

Let us take a hard look at the two proposals that this Congress dealt with yesterday and today. First, in order to cut spending, the Congress yesterday voted to cut $115 billion from Medicare over a 5-year period and $385 billion over 10 years. That means that elderly people all over this country will see a lower quality of health care at a time when many of them cannot even afford their prescription drugs.

Furthermore, Congress yesterday voted to cut the administration of Social Security by 23 percent, or a billion dollars, which means that when the elderly people and others want information or want to get on Social Security, it will take them longer to do that. Further, Congress voted a $13 billion cut in Medicaid over 5 years. That money goes to hospitals that are primarily serving low income people, exactly the hospitals that are having financial difficulties today.

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

Were there positive programs passed yesterday? Yes, there were. I support those positive programs. But today let us look at why we have to cut Medicare and Medicaid and Social Security administration and the veterans. What are we going to do? Why did we cut? Well, it looks like today we are going to be dealing with a tax package. What is in that tax package? Well, under this tax package the wealthiest 5 percent of Americans will receive almost half of the tax cuts. The upper 20 percent will receive over 70 percent of the benefits.

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

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

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

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

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

AMENDMENT OFFERED BY MR. DREIER

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

The Clerk read as follows:

Amendment offered by Mr. DREIER:

After ''debatable for'' insert ''two and one half hours'' and ''three hours''.

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

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

There was no objection.

The SPEAKER pro tempore. The amendment is agreed to.

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

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

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

Do we think it is appropriate that the United States continues to have by far the most unfair distribution of wealth and income in the industrialized world, with the richest 1 percent owning more wealth than the bottom 90 percent? Is this something we are proud of? The fact that we have the highest rate of childhood poverty while millionaires and billionaires in the country proliferate and that this tax bill would only make that gap between the rich and the poor even wider?

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

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

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

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

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

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

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

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

Mr. Speaker, my friend referred to Republican reign over these deficits. I recommend that he look at the U.S. Constitution. Article I, section 7 makes it very clear, the responsibility for all taxing and spending lies right here in the House of Representatives. This is the first tax cut that we have had in 16 years. For 13 of those 16 years, this place was controlled by the Democrats. When President Clinton ran for office in 1992, he promised a tax cut for middle income Americans. The last Democratic Congress worked with him to bring about the largest tax increase in history.

Many Members like to claim that that tax increase is somehow responsible for the economic growth we are enjoying today. Why is it then that with the measure that we will be voting on within the next 3 hours we are repealing large parts of that tax increase?

The best thing that ever happened to Bill Clinton was the election of a Republican Congress. If Members look at the fact that in 1993 and 1994 we saw an increase in interest rates, we saw a stock market that was not taking off, November 1994 saw the election of the first Republican Congress in 40 years and in 1996, the reelection of the first Republican Congress in 68 years; if we look at election day 1994, we can draw a line.

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

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

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

The previous question was ordered.

The resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

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

The Clerk read the title of the bill.

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

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

The SPEAKER pro tempore. The gentleman from Texas [Mr. ARCHER] and the gentleman from New York [Mr. RANGEL] each will control 1 hour and 30 minutes.

The Chair recognizes the gentleman from Texas [Mr. ARCHER].

□ 1145

GENERAL LEAVE

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

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

There was no objection.

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

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

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

I rise, Mr. Speaker, to simply talk about what I think is one of the single most important provisions in this measure, and that is the reduction of the top rate on capital gains.

Back in 1993, several of our colleagues came together and worked on this issue of capital gains. We established what we called the Zero Capital Gains Tax Caucus. We recognized that capital gains tax rates, in fact, are some of the most confiscatory that we have of all. Why? Because people already pay a tax on that income that they are investing.

So what is it that we need to look at? We need to look at what it is that the capital gains tax rate reduction is going to do for this economy. Clearly, we are going to stimulate a dramatic increase in economic growth.

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

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

Now, if we look at those facts, it is going to improve the opportunity for many. We also, Mr. Speaker, are going to be able to increase the flow of revenues to the Federal Treasury. When the Steiger capital gains tax cut went into place in 1978, we saw a revenue flow of about $9 billion. During the next several years, before the 1986 Tax Reform Act, we saw the flow of revenues to the Treasury increase by 500 percent, from $9 billion to $50 billion.

We had H.R. 14. I wanted it to go first to 14 percent then to zero. Democrats and Republicans joined me on that. We have ended up with a decent compromise, and I am very proud to support it.

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

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

There was no objection.

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

Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee [Mr. TANNER].

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

Mr. TANNER. Mr. Speaker, I want to thank the gentleman from New York [Mr. RANGEL] for yielding this time to me.

This bill before us today is not what I would have written. It is not what the group I am associated with, called the Blue Dog Democrats, would have written. There is one gaping hole in all of this discussion today, unfortunately, and that is entitlement reform.

But, nonetheless, I think that democracy is an inconvenience sometimes for those of us who serve in the legislative branch of government because there are people of good will who have intellectually honest differences of opinion as to what should be done for our great land. And so democracy is an inconvenience because none of us get our way all the time on every issue.

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

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

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

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

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

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

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

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

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

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

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

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

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume to join with the Chair in congratulating not only the staff of both sides for working together on this bill, but also including an uncustomary third party that has made this bipartisan effort work, and that is the President of the United States.

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

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

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

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

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

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

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

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

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

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

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

I believe that the bill that came out of the House gave about 55 percent of its benefits to families who earn over $110,000 a year. I think that has been brought down to about 44 percent. In my view, it is not where it should be, but it is clearly better. So this agreement is better because we stood on principle.

I respect the motives of everyone who is here today to argue about this bill, Mr. Speaker. Everyone is voting for what in their heart and mind is the best thing for their constituents and the best thing for the country. So it is in that spirit of humility about my own decisions and my own votes and respect for the views of others that I say my decision today is to not vote for this bill, because I think it could be better and I think it should be better.

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

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

☐ 1200

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

This is the first tax cut that we have been able to legislate in 16 years. Let us remember the context in which we are talking today. Over those last 16 years, people at the top have seen their incomes go up by 90 percent. Those constituents that I talked to over the weekend have been stuck in place or they are falling behind. They have seen no increase in their income, and they are working harder and longer to overcome that problem, more hours, more jobs. People said to me, ''I am working two and three jobs in order to pay my bills.''

So we in the Democratic Party feel strongly that people in the middle, people stuck on the bottom are the people that we need to be dealing with, with the majority of this tax cut.

Now, understand our friends on the other side say, ''well, let us give the tax cut to the people who pay taxes.'' That is what they always say. The truth is people in the middle and at the bottom pay a lot of taxes. And we have always had a progressive tax system. That is, you pay proportionate to your ability to pay taxes.

This bill will make the Tax Code, unfortunately, less progressive. But let us talk about the economics of it for a moment. And this is where we must part. I am a Democrat. I am a supply-sider, but I am as much a demand-sider. Why is it smart to have a progressive tax system? Why is it smart to give the bulk of the tax relief to people at the middle and stuck on the bottom? Because they need the help, it is fair, but because they need the money to spend in the economy.

What do the economists always talk about when they talk if we can keep the economy growing? It is because, they say, if we can keep retail demand going. What do we think people in the middle and at the bottom do with the money they earn? They go to Wal-Mart. They go to K-Mart. They go to Sears. They spend their money. And because they spend their money, if they have more money, all the boats can rise. People at the top can rise in their income. People in the middle. People in the bottom.

I am a Democrat. I believe in building this economy from the bottom up, not the top down. I believe our work over the last years in making the Code more progressive has helped produce an economy where we are surging forward and jobs are being created and unemployment is down.

Finally, let me say this: I am a tax reformer. I believe we ought to get less deductions and exemptions and special treatment. I think we need to get to lower rates for everybody. This bill today will add the greatest loophole. We will now take the rate for people that can figure out how to get their income in capital rather than in earnings, or earned income salary, to half the rate of other people. We are moving in the opposite direction of what we tried to accomplish in 1986. We should not be doing that.

Let me end with this: As I get it, this debate will go forward. Our friends on the other side have said a tax cut next year and a tax cut the year after that and the year after that. I welcome this debate. I welcome this debate. This is a good debate for our country. They will stand for what they believe in. We will stand for what we believe in. And the country will do better because of it.

I respect my friends on the other side and their views. I strongly disagree with their views, with all of the best intentions. I think they are trying to do what is right for the country and the people. But let me say to them that, in this debate which goes forward, Democrats are for cutting taxes for middle-income people and people trying to get in the middle class.

I have heard the Christian Coalition in parts of their party that are raising that issue within their party. They are right to do it. Let us go forward with this debate. Let us make this Tax Code fair. But, most important, let us invest our money in the hard-working, middle-income families of this country and help them succeed and help move this country and lift all the boats of this country to higher and higher levels.

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

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

Mr. WELLER. Mr. Speaker, I want to take just a brief moment at the beginning of my remarks just to commend the gentleman from Texas [Mr. ARCHER], chairman of the House Committee on Ways and Means, for his leadership in managing this very important component of the Contract with America and also very important component for bipartisan agreement to balance the budget for the first time in 28 years.

This is a great victory for the middle class. It is a great victory for those who work hard and play by the rules and pay taxes, because this legislation we are voting on today is the first real tax relief for the middle class in 16 years.

For the people that I represent in the South Side of Chicago and south suburbs of Chicago and rural areas to the south and southwest if they have children, for the average family with children in the district that I represent, it means an extra $1,000 in take-home pay. Over 110,000 children are eligible for the child tax credit that is in this legislation. It is important to families, and because we, as Republicans, believe that if you work hard and play by the rules, you should be able to keep more of what you earn.

Because we believe, if you work hard and you keep what you earn, it is because we believe that you should be able to spend those dollars better back home, meeting the needs of your families better than we politicians can here in Washington. This bill is a victory for the working middle class, and I am proud to support this legislation.

I also want to note that there are three key components in this legislation that are initiatives that are strongly embraced by the people I represent in the south suburbs, part of a south suburban revitalization strategy, legislation designed to provide incentives to revitalize and clean up environmental cleanup of old industrial sites in old industrial communities, initiative to encourage the private sector to hire welfare recipients and give them a chance and give them a job, and also initiative to strengthen the opportunity for homeownership with homeownership IRA's.

The work opportunity tax credit works as a way of attracting the private sector to give welfare recipients an opportunity to have a job. And I am proud this bipartisan initiative is included in this bill.

My colleagues of the House, I again commend the chairman. I again commend the bipartisan effort. I urge support of this important legislation that helps the middle class.

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

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

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

Reason No. 2: The estate tax provisions are targeted to give most of the relief to families that have small businesses or farmers. That is a major improvement that I congratulate my colleague on.

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

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

Fifth reason: The gentleman has modified the IRA proposals, got rid of indexing of capital gains so that we do not have exploding deficits in the future.

We now have a bipartisan bill that, with the bill that we passed yesterday, will balance the budget and protect the priorities that are important for the future growth of our Nation. I congratulate the gentleman from New York [Mr. RANGEL] because we now have a bipartisan bill that deserves the support of this House. I intend to support it.

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

Mr. HAYWORTH. Mr. Speaker, I thank my colleague from Georgia, Mr. COLLINS, for the time.

Mr. Speaker, I know it is difficult for professional politicians to do this, but I would challenge Members on both sides who are career office holders to leave the spin cycle in the laundry room.

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

Because this is not a game; this is about living, breathing, working people. Like the working couple from Casa Grande, AZ, who sent me a letter via fax, the Wilkins family, Barney and Margie. They are schoolteachers. Their kids are B.J., Megan, and Molly.

Barney and Margie work hard at teaching school. They are not rich although some people have estimates that say that their combined income would make them rich. In fact, they have a third job. They supply auto parts for vintage cars and go to vintage and classic car shows on the weekend.

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

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

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

Mr. STARK. Mr. Speaker, I yield 4 minutes to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Speaker, this is not a fight about whether there should be a tax cut. It is a fight about who gets it. There is much in this bill I support. It is a far better bill than the House originally passed.

I was an original sponsor of the child tax credit, which is contained in this bill. I support the education tax credits and child health provisions. But I would remind my colleagues that the fundamental test of any democracy is to fund its activities through a tax system which is fair to each and every one of our citizens. Because this is, after all, a volunteer compliance tax system.

We fought a revolution over the principle of fair taxes. This bill, I am sorry to say, fails that test.

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

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

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

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

☐ 1215

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

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

Mr. STARK. Mr. Speaker, I do not have anybody in my district that makes $645,000 a year, but could the gentleman tell me, do they work a lot harder in the gentleman's district than say that group of people down a couple who only make $70,000? Is that what happens in Wisconsin to those folks in the gentleman's district?

Mr. OBEY. Not in mine.

Mr. STARK. Does the gentleman suppose they inherited most of their money, what they are getting, $645,000?

Mr. OBEY. I have no idea. All I know is that this distribution is not fair. We can do better.

Mr. Speaker, the other problem with this proposal is that it is based upon promises that in the next 5 years we are going to cut the Social Security Administration by 25 percent, that we are going to cut community development by 30 percent, that we are going to cut veterans' benefits by 20 percent over the next 5 years. I do not believe that Members of either party will vote for those kind of reductions when those budgets come to the floor. That is why the claim that this budget is going to produce a balanced budget is built on a false promise.

In short, in terms of a fair distribution of tax benefits to our people, in terms of an honest description of how they are paid for, this bill I regret to say fails both tests. We can do better. I urge a vote against this bill until we do.

Mr. COLLINS. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. BOEHNER], the chairman of the Republican Conference.

Mr. BOEHNER. Mr. Speaker, it is really happening: the first time in 30 years we are actually going to balance the Federal budget. The first time in a few years we are going to save Medicare and extend the life of the trust fund for 10 years. We took those votes yesterday.

Today we are going to provide tax relief for the American people, the first tax cut from Washington in 16 years. We all know that reducing taxes is going to mean lower interest rates for the American people, it is going to mean more jobs for the American people and, most importantly, it is going to mean higher wages for American families.

These are the kind of values that we have been fighting for for years, trying to bring real relief to middle class American families. When we talk about lower interest rates, more jobs, higher wages, sometimes people think these are terms that economists use. Let us think for a moment about what these bills that we passed yesterday and today really mean.

A balanced budget and tax cuts mean that it is going to be easier for families to go out and buy a home. It is going to be easier for families to send their kids on to college. A balanced budget and tax cuts mean that it is going to be easier for people to go out, who want to start a new business, to get that first start. It is going to be easier for every American to have a shot at the American dream.

That is really what we are trying to do here today and over the last couple of years, is to renew the American dream for our kids and theirs. Over these last 2½ years, it is not what we have done just yesterday and today, balancing the budget, cutting taxes, saving Medicare, it has been issues like ending entitlements for farmers and allowing the market to take place, allowing farmers to decide what they are going to plant on their land.

It is welfare reform, allowing the States to help those at the bottom of the economic ladder to become productive members of our society. It is illegal immigration reform. It has been health care reform. It has been eliminating 300 wasteful Washington programs, saving $53 billion. And, Mr. Speaker, this is just a good start.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the distinguished gentlewoman from Connecticut [Mrs. KENNELLY], a member of the Committee on Ways and Means.

Mrs. KENNELLY of Connecticut. I thank the gentleman from New York [Mr. RANGEL] for yielding this time and for his hard work.

Mr. Speaker, I rise as a proud member of the Committee on Ways and Means. As a long time member of that committee, I have taken some very tough votes. In fact, in 1990 I took two tough votes for the 1990 budget. In 1993 I really did not like a lot of things in that budget but I knew when the President became the President, President Clinton, because there was a $290 billion deficit, I had to vote for that bill if we were going to reduce that deficit. So it is a great pleasure to vote this week to finish the job and balance the budget for the first time in this generation.

But I also want to thank the conferees on both sides of the aisle for listening to those of us who have worked on the Tax Code for a number of years. When the Ways and Means bill first appeared, there were many of us who were very, very concerned. We had worked for many, many years on the earned income tax credit. We had worked for years working to get a dependent day care credit for men and women who work and have families, and for the first time, all of a sudden we were going to see some of that day care credit we had worked so hard for disappear if they took the child credit.

We found out that we could convince conferees that this would not be fair because most people go to work because they want that house or they want that education, and they need that help, even if they have got two salaries, in paying for good affordable quality day care.

Millions of families, as we well know because we had a battle royal for the last month over the earned income tax credit, and I do want to commend the conferees for realizing that if they pay Federal payroll tax, it is paying to the Federal Government and it is just as good and just as hard as if they pay income tax. I really feel good about that piece.

Unfortunately, we were not able to fix the AMT child credit problem, and I just said to Ken Kies, ''You've got a lifetime of work because you're the only one that's going to understand exactly what we did do.'' In fact, we have added a lot of complexity to that bill, and we will all be back hopefully next fall trying to fix this bill.

But we should celebrate what we have right now where two groups came together, capital gains yes, indexing no, earned income tax credit yes, and yes for almost everybody. I vote for this bill and hope a lot of other Members will, and I know they will.

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

Mr. ENGLISH of Pennsylvania. Mr. Speaker, I rise in strong support of this tax relief package. In most respects this package is similar to what the Committee on Ways and Means passed last month. It provides significant relief to working taxpayers and middle class taxpayers who are facing the highest tax burden in American history.

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

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

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

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

Mr. STARK. Mr. Speaker, I yield 3 minutes to the gentleman from Oregon [Mr. DEFAZIO].

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

The truth is yesterday Congress adopted very substantial cuts in Medicare, cuts in reimbursements, cuts that will drive up premiums for seniors, cuts that will deprive seniors of home health oxygen benefits, and today they are using the proceeds of those cuts to fund huge tax breaks, $275 billion in tax breaks over the next 10 years, tax breaks that will double the deficit by the year 1999. Yes, that is right. The balanced budget agreement before us today will double the deficit over the next 2 years, and that is from the Republican-controlled Congressional Budget Office. It will probably more than double the deficit over the next 2 years. A strange path to fiscal responsibility.

What underlays this whole thing? Tax cuts slanted toward the very wealthy, repeal of the corporate alternative minimum tax; an embarrassing time in the mid-1980's when Ronald Reagan supported imposing a corporate alternative minimum tax, as the largest corporations of this country were getting refunds for taxes they did not pay. We are going back to that. We will all pay taxes so corporations can get refunds for taxes they do not pay.

Capital gains. Look at the distribution right here. The largest amount of money, 44 percent of the benefits, go to the top 5 percent, those earning over $112,000. If you are in over $112,000, cheer, right now, OK. If are in the bottom 60 percent, families making less than $36,000 a year, that is most of my constituents, those are the people who most need tax relief, look at what that large number of people, 60 percent of the population are going to rake in: 7 percent of the benefits. What a great day for middle income America. Forty-four percent for those privileged few at the top and 7 percent for the rest.

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

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

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

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

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

Mr. DEFAZIO. We cannot cut a penny out of the Pentagon and we are going to build 20 B–2 bombers.

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

Mr. DEFAZIO. The gentleman is correct.

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

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

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

Mrs. JOHNSON of Connecticut. Mr. Speaker, I rise in strong support of the taxpayer relief act of 1997. This bill provides much-needed tax relief for hardworking American families.

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

In this bill we are taking giant strides to help families afford college educations through education savings accounts, HOPE scholarships, reduced taxes for families paying for tuition in advance, and a student loan interest deduction for all those young people who are struggling to repay the high cost of going to college. We have taken a giant step forward toward making post-high school education affordable for all: young people straight out of high school, mothers going back to work after being out of the workforce for a number of years, and workers whose employers pay for their education. Today's economy demands that young people learn well and that working people keep their skills and knowledge up to date. This bill goes a long way in helping each of us realize our greatest potential, and so our dreams.

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

☐ 1230

This is a good bill for people, a good bill for the economy, and I urge my colleagues' support.

Mr. Speaker, I rise in strong support of the Taxpayer Relief Act of 1997, providing much-needed relief for hard-working American families.

After 28 years of chronic deficit spending, we are finally getting our fiscal house in order. The bill before us today, coupled with yesterday's entitlement reforms, proves that it is possible to balance the budget and provide tax cuts to America's families and meet critical needs of our people, like health care for uninsured children.

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

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

For families, this bill offers a $500 tax credit for children 16 and under, health care for kids whose parents work for small businesses unable to provide health insurance to their employees, educational opportunity, greater retirement security for teachers and others who work for public employers.

It also offers a shot in the arm to our economy to build the base for continued, long-term growth—making machinery and equipment more affordable, encouraging the research and development that can keep our companies product leaders in the market, relief for small business, and hope for the family owned business that they can survive Dad or Mom's passing. For the first time, this bill recognizes the special role of family farms and businesses by creating separate, higher exemption for those estates. This will enable more family farms and businesses to be passed down to the next generation successfully.

This is a good bill for people, for families, and for our economy. It's good tax policy and I urge a ''yes'' vote.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. LEVIN], a member of the committee.

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

Mr. LEVIN. Mr. Speaker, the Democratic Party has stood for economic growth with equity. The 1993 Deficit Reduction Act worked in both respects, promoting the dramatic deficit reduction that has been a major source of our sustained economic growth and providing a tax cut for low- and middle-income families through expansion of the ITC, and the predictions of economic doom from those who opposed the 1993 act came from many of the same people who voted for the 1981 legislation that led to the deep deficits of the 1980's. Time has proved them as wrong as to 1993 as it did for 1981.

The tax bill now before us shows that today it does indeed take two to tango, but that does not mean the two partners have always been dancing in the same direction. Democrats have focused on responding to the pressures on middle- and low-income families whose income stagnated amidst the general boom of the last 5 years, while many of the majority have been dancing too often to the tune of the very wealthy, and Democrats have been resisting proposals that would bust budget in later years while the majority has been pushing some of the same approaches that engendered the deficits of the 1980's.

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

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

Mr. COLLINS. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I was sent to Congress in 1993 by the people of the Third District of Georgia with a very specific list of legislative goals. The budget agreement negotiated between the Congress and the President includes many of those goals. With the passage of the Tax Relief Act, we will successfully have achieved many reforms on behalf of all Americans.

Mr. Speaker, today's vote is the result of months and months of diligent work in an effort to assemble a budget that the American people deserve. It is the product of a grassroots campaign where input, ideas, and priorities have been gathered not only from Georgia, but from people all across the country.

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

Today success is not a victory that can be solely claimed by the Congress or the President. It is instead a victory for the people of this country who sent their representatives to Congress to cut taxes, reduce the size of the bureaucracy, and return fiscal responsibility to the Federal Government. The $500 per child tax credit, capital gains tax relief, reduction of the estate tax, tax incentives that reduce the cost of education, preservation of the Medicare commitments we made to our seniors and relief from the alternative minimum tax all are reform ideas that clearly reflect the priorities of the citizens all across this country.

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

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from South Carolina [Mr. SPRATT], a great American, someone that has been so helpful in making certain that we got here on the floor today, and the ranking Democrat on the Committee on the Budget.

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

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

The reason we were able to pull together yesterday's spending bill and today's tax bill is that on May 1 CBO finally agreed with OMB that the Government's revenue tax increases are not episodic, not 1-year phenomena, they are permanent. These are permanent phenomena, such that over the next 5 years CBO was willing to add $225 billion, all together, to its revenue estimates. That made today possible and yesterday as well.

And having come this far, our goal is clear. We want to balance the budget and finish what we have started. We want to do tax cuts, sure we do, but we want to do them in a way that we achieve a balanced budget in 2002 and thereafter. That is why we decided in the balanced budget agreement to keep our tax cuts within strict limits, $85 billion in net revenue losses over the next 5 years, $250 billion in net revenue losses over the next 10.

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

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

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

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

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

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

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

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

Today we celebrate an important achievement by the Congress and the White House. But most importantly, we celebrate a victory for the American people. Yesterday in the spending bill we celebrated balancing the budget for the first time in 30 years, saving Medicare, which is so important for health care for our seniors. But today we celebrate with the American people receiving tax relief for the first time in 16 years. Working families in mid-Michigan and across America who are raising children and saving for their education will receive not only a $500-per-child credit, but also tax relief to help pay for the rising costs of tuition.

I represent a primarily rural district in the middle part of Michigan, and for millions of farmers across the country and many farmers in my district this tax relief bill means a better chance of continuing to do what they love to do, and that is feed our Nation and the world. It also provides the opportunity to pass on the farm to the next generation, and many farmers in my district are second and third generation farmers. With this bill farmers will get tax relief from capital gains tax, and farming is heavily capital intensive, and also relief from death taxes that often force families to give up family farms in order to pay the IRS. We are providing family farmers with relief by providing income averaging to try to level the peaks and valleys that often come with unreliable weather and crop years, and that will help with their tax bills.

Mr. Speaker, family farmers in mid-Michigan are tired of knowing the IRS is waiting to claim a huge share of their efforts. With this bill we deliver real tax relief that will lead to the opportunity for greater prosperity and a higher quality of life on the family farm and in the homes of all Americans.

Mr. STARK. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Washington [Mr. MCDERMOTT].

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

Mr. MCDERMOTT. Mr. Speaker, we are today dealing with a tax bill that I think if people are watching this they would have trouble figuring out where everybody is coming from. Some people, the majority, believe that this is the best tax bill since sliced bread. Some of the Democrats say, well, we took a bad tax bill and made it a little bit better. But there are some of us who think that this bill is so bad that it ought to go down because it is not fair, it is not fair enough.

Mr. Speaker, I would like to associate myself with the remarks of both the gentleman from Missouri [Mr. GEPHARDT], the minority leader, and the gentleman from Wisconsin [Mr. OBEY], but I will give my colleagues a couple specifics. Let us take a woman who has two kids who makes $35,000 and teaches school.

Now she pays 15 percent of her income in FICA taxes and then is taxed at the 15 percent rate beyond that. Somewhere around $7,500 to $10,000 of her income goes in taxes out of a $35,000 income.

Now let us take and contrast somebody who makes $200,000 in unearned income; that is, they invest in the stock market and they make $200,000. Under this bill they will be taxed at a 20 percent rate; the schoolteacher at a 30 percent rate; the unearned income at a 20-percent rate because the person earning their income in capital gains pays no FICA tax, no FICA tax.

Now in my view that is unfair. The person making $200,000, taxed at a 20-percent rate under this bill will pay $40,000 in taxes.

Now let us get to the tax breaks. Here is the woman. She has paid $10,000 in taxes. She gets $1,000 back, $500 for each one of her kids. The person making $200,000 and paying 20 percent has two kids, so he gets $1,000 back.

Is that fair to a woman raising two kids, making $35,000, paying 30 percent of her income in taxes and getting $1,000 back and somebody who makes $200,000 worth of unearned income, and they get $1,000?

☐ 1245

That is not fair. Mr. Speaker, the unfairness of this I think is only one of the problems. As I listen to people speak here, I continually believe that the Contract With America's idea of term limits is buried under all of this.

An awful lot of people who are voting for this today are voting politically correct when they vote yes, but they are not thinking long term. They do not expect to be here in 2005 or 2006 when the real impact of this bill comes to rest on the American people.

Today's New York Times on the editorial page, page 21, says ''The deal's long-term effect has economists uneasy.'' When these capital gains cuts and these estate tax and all the other cuts come to full pressure on the economy, we will be facing the baby boomers going into their senior years with no capacity, because we have dug a hole in the revenue side. We will not be able to deal with their problems.

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

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

Mr. STARK. Mr. Speaker, I would ask the gentleman, is it not true that we are not really going to have the budget balanced for 3 or 4 years, 3 or 4 years from now when it finally comes to balance, and if we had no bill yesterday and did not do this tax bill today, we would balance this year or next?

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

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

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

Mr. STARK. Mr. Speaker, do not higher deficits that the Republicans are giving us with these bills lead to higher interest rates?

Mr. MCDERMOTT. That is what Mr. Greenspan says.

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

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

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

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

I want to start by commending the gentleman from Texas, Mr. BILL ARCHER, because he held firm and worked in a bipartisan way with the gentleman from New York, Mr. CHARLIE RANGEL, and others to ensure that hard-working Americans are going to get their first tax break in 16 years. They deserve it.

What is truly remarkable about this, of course, is we are doing it despite what we might hear from the other side in the context of a balanced budget. A lot of these tax relief provisions are going to help us get to that balanced budget, because they will help grow the economy.

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

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

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

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

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

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

Mr. RANGEL. Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia [Mr. SCOTT].

Mr. SCOTT. Mr. Speaker, I rise to address a colloquy with my colleague, the gentleman from New York [Mr. RANGEL], ranking member of the Committee on Ways and Means.

It is my understanding that the number of empowerment zones will be expanded through the passage of this legislation. As we know, HUD has found 2 empowerment zones and 11 enterprise communities, including Norfolk, VA in my district, to be the most successful in meeting the performance milestones. Those milestones include initiating and implementing job training programs, recruiting unemployed individuals into both job training and education programs, increasing the number of new businesses in the region, and creating new jobs.

In order to reward communities for these efforts, should these successful enterprise communities be given priority consideration for designation as empowerment zones?

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

Mr. SCOTT. I yield to the gentleman from New York.

Mr. RANGEL. Mr. Speaker, I say this to the gentleman from Virginia; I was the original sponsor of the initial enterprise and empowerment zones, and also the latest bill which expands them. While it was not included in the Republican bill, it is in the bipartisan bill.

As the gentleman well knows, communities have to file and show their proposals before they are selected by HUD. It makes a lot of sense that those enterprise communities who have done more than have a plan, but demonstrated a success with those plans, should be given priority as we move forward in the next round of selecting the new empowerment zones and the additional enterprise communities.

Mr. SCOTT. Mr. Speaker, I thank the gentleman for that comment, and look forward to Norfolk being given that consideration, because it has done such a good job through Norfolk Works and other programs such as that.

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

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

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

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

There is no magic in projecting who benefits from this bill. When we target

$35 billion of estate tax relief, we end up helping those 2 percent or 3 percent of Americans who have huge estates and obviously incompetent children who cannot afford the business, and to pay it off with the generous terms we already give them. When we cut capital gains from a maximum of 28 to 20 percent or even 18 percent, we help the most affluent Americans.

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

Special interests are also making out like the Beltway bandits who represent them. According to the Joint Committee, this bill contains 80 items which are highlighted as required by the line-item veto law because they give tax benefits to 100 taxpayers or less, and create a special transition relief for 10 taxpayers or less in any particular year. This ought to be embarrassing, to have this list appear in a bill that is rushed to the floor so quickly.

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

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

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

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

Mr. Speaker, I do not like what I know about this bill. It is unfair. It discriminates against the average American. It gives only to the rich. But I like even less what I suspect is in this bill, and it is unfair. It deserves to be defeated. I urge a ''no'' vote.

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

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

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

Mr. Speaker, this tax bill is why I came to Congress. I have been in the House of Representatives since 1987, and ever since I have been fighting to help the American people keep more of their own hard-earned money. This country has not had large-scale tax relief like the kind we are voting on today since 1981, 16 long years. Of course, under a different Congress, they have been dealt their share of tax increases, including the largest tax hike in American history just 4 short years ago.

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

We will be making major cuts in capital gains taxes to help keep our economy growing, and we will be providing a major relief from the death tax, so our Nation's family farms and small businesses can be passed on from generation to generation.

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

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentleman from North Carolina [Mr. ETHERIDGE], and I would point out the great support that his task force on education has given to improve the quality of the bill we will be voting for.

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

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

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

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

□ 1300

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

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

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

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

Let me give my colleagues several reasons why we should defeat this tax proposal, bring it back to the drawing board and come up with something new. No. 1, if we are interested in a balanced budget as quickly as possible, vote ''no.'' Without this tax proposal, economists tell us that in 1 year or 2 years, we will move toward a balanced budget. With this proposal, the deficit will go up in the next several years and it will take us 5 years to move toward a balanced budget. So vote no if you want to get toward a balanced budget as quickly as possible.

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

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

Mr. COLLINS. Mr. Speaker, I yield 2 minutes and 30 seconds to the distinguished gentleman from Florida [Mr.

SHAW], chairman of the Subcommittee on Human Resources of the Committee on Ways and Means, a gentleman who has had a lot to do with legislation dealing with families.

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

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

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

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

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

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

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

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume. I would like to respond to the gentleman from Florida in saying that we are going through a period of trying to learn to be bipartisan, and the gentleman and I have a whole lot of learning to do. I think he will agree that the Republicans wanted a tax cut bill and the President did. The question was who wanted one the most.

When the priorities came, they sought to make capital gains tax cuts the priority. They sought to make estate tax relief a priority. They sought to make the individual retirement funds a priority. These were the things that people in higher incomes enjoyed.

That is why so many Democrats are disturbed. We sought to stay with those for college educations, for those kids that come from working families. We did not call it welfare. We said, if you work hard and you pay taxes, you should get help. So there is still a major difference between the gentleman's side and ours.

We join together in saying, the President and the people of the United States want a bill. But it does not mean that we swallow their principles. But it does mean, when we supported our President, we said we are with you, Mr. President, but there has to be some basic Democratic principles there. So the priorities were there.

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

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

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

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

Because of Democrats, families earning between $20,000 and $30,000 a year will get a $500 per child tax cut. Because of Democrats, there is a HOPE scholarship to make college more affordable to our children. Because of Democrats, there are tax cuts for people inheriting farms and small businesses. Tax relief for working families, tax relief for education, tax relief for owners of farms and small businesses, these are Democratic values. These are the ideas President Clinton and the Democrats fought for and won.

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

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

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

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

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

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

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

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

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

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

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

Mr. RANGEL. Mr. Speaker, I yield such time as he may consume to gentleman from Texas [Mr. EDWARDS].

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

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

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

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

In addition, the package will help provide health insurance for millions of uninsured children whose parents are working but cannot afford the premiums.

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

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

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

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

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

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

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

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. CAPPS].

□ 1315

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

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

I also support the education tax credits in this bill and commend the President in particular for his leadership on this issue. As a teacher, I know firsthand the priceless value of education. The HOPE scholarships will open the door of education to families on the central coast where we have the great universities and excellent 2-year colleges.

It is no secret that education benefits the entire economy, but it also uplifts the spirit and creates a more civil society, and I urge my colleagues to support this legislation.

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

I just wanted to repeat for a few of my colleagues who were not here before that, in addition to the patent unfairness of this bill, which is obvious from the charts, that the top 5 percent are getting 44 percent of the breaks. And when my colleagues on the other side suggest that the middle class is getting most of the breaks, they are just taking the first 5 years, they are not looking at the whole 10 years.

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

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

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

The beet king in Texas, Simmons, I did not realize what he got. He is getting $104 million, a gift from the Republicans in this tax bill, which is hidden here in the documents which never were explained to any of us.

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

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

Here it is, section 1005(b). We will make this part of the RECORD, Mr. Speaker. Here is ''relating to transition rule for instruments described on or before June 8, 1997, in a public announcement or in a filing.''

I want to tell my colleagues, those are provisions, page after page, for individuals who are getting special slush out of this tax bill while lower income Americans are going to pay $40 more a year.

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

MEMORANDUM

To: Honorable Bill Archer, Honorable John Kasich, Honorable Philip M. Crane, Honorable William M. Thomas, Honorable Richard K. Armey, Honorable Tom DeLay, Honorable Charles B. Rangel, Honorable Jim McDermott, Honorable Fortney Pete Stark, Senator William V. Roth, Jr., Senator Pete V. Domenici, Senator Trent Lott, Senator Charles E. Grassley, Senator Kent Conrad, Senator Don Nickles, Senator Daniel Patrick Moynihan, Senator Frank R. Lautenberg, Honorable Robert T. Matsui.

From: Kenneth J. Kies.

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

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

The Act provides that the conferees determine whether or not to include the Joint Committee's statement in the conference report. If the conference report includes the information from the Joint Committee on Taxation identifying provisions that are limited tax benefits, then the President may cancel one or more of those, but only those, provisions that have been identified. If a conference report contains a statement from the Joint Committee that none of the provisions in the conference report are limited tax benefits, then the President has no authority to cancel any of the specific tax provisions, because there are no tax provisions that are eligible for cancellation under the Act. If the conference report does not include a statement from the Joint Committee regarding limited tax benefits, then the President determines which provisions are subject to cancellation under the Act.

Pursuant to section 1027(a) of the Congressional Budget and Impoundment Act of 1974 (as amended by the Line Item Veto Act), attached is the statement of the Joint Committee on Taxation regarding limited tax benefits contained in the conference agreement on H.R. 2014.

SEC.—. IDENTIFICATION OF LIMITED TAX BENEFITS SUBJECT TO LINE ITEM VETO

Section 1021(a)(3) of the Congressional Budget and Impoundment Control Act of 1974 shall only apply to:

(1) Sec. 101(b) (relating to high risk pools permitted to cover dependents of high risk individuals)

(2) Sec. 222 (relating to limitation on qualified 501(c)(3) bonds other than hospital bonds)

(3) Sec. 224 (relating to contributions of computer technology and equipment for elementary or secondary school purposes)

(4) Sec. (relating to treatment of remainder interests for purposes of provision relating to gain from sale of principal residence)

(5) Sec. 501(b) (relating to indexing of alternative valuation of certain farm, etc., real property)

(6) Sec. 503 (relating to modifications to rate of interest on portion of estate tax extended under section 6166)

(7) Sec. 504 (relating to extension of treatment of certain rents under section 2032A to lineal descendants)

(8) Sec. 508 (relating to treatment of land subject to qualified conservation easement)

(9) Sec. 511 (relating to expansion of exception from generation-skipping transfer tax for transfers to individuals with deceased parents)

(10) Sec. 601 (relating to the research tax credit)

(11) Sec. 602 (relating to contributions of stock to private foundations)

(12) Sec. 603 (relating to the work opportunity tax credit)

(13) Sec. 604 (relating to orphan drug tax credit)

(14) Sec. 701 (relating to incentives for revitalization of the District of Columbia) to the extent it amends the Internal Revenue Code of 1986 to create sections 1400 and 1400A (relating to tax-exempt economic development bonds)

(15) Sec. 701 (relating to incentives for revitalization of the District of Columbia) to the extent it amends the Internal Revenue Code of 1986 to create section 1400C (relating to first-time homebuyer credit for District of Columbia)

(16) Sec. 801 (relating to incentives for employing long-term family assistance recipients)

(17) Sec. 904(b) (relating to uniform rate of tax on vaccines) as it relates to any vaccine containing pertussis bacteria, extracted or partial cell bacteria, or specific pertussis antigens

(18) Sec. 904(b) (relating to uniform rate of tax on vaccines) as it relates to any vaccine against measles

(19) Sec. 904(b) (relating to uniform rate of tax on vaccines) as it relates to any vaccine against mumps

(20) Sec. 904(b) (relating to uniform rate of tax on vaccines) as it relates to any vaccine against rubella

(21) Sec. 905 (relating to operators of multiple retail gasoline outlets treated as wholesale distributors for refund purposes)

(22) Sec. 906 (relating to exemption of electric and other clean-fuel motor vehicles from luxury automobile classification)

(23) Sec. 907(a) (relating to rate of tax on liquefied natural gas determined on basis of BTU equivalency with gasoline)

(24) Sec. 907(b) (relating to rate of tax on methanol from natural gas determined on basis of BTU equivalency with gasoline)

(25) Sec. 908 (relating to modification of tax treatment of hard cider)

(26) Sec. 914 (relating to mortgage financing for residences located in disaster areas)

(27) Sec. 952 (relating to assignment of workmen's compensation liability eligible for exclusion relating to personal injury liability assignments)

(28) Sec. 953 (relating to tax-exempt status for certain State worker's compensation act companies)

(29) Sec. 957 (relating to additional advance refunding of certain Virgin Island bonds)

(30) Sec. 958 (relating to nonrecognition of gain on sale of stock to certain farmers' cooperatives)

(31) Sec. 961 (relating to exemption of the incremental cost of a clean fuel vehicle from the limits on depreciation for vehicles)

(32) Sec. 964 (relating to clarification of treatment of certain receivables purchased by cooperative hospital service organizations)

(33) Sec. 966 (relating to deduction in computing adjusted gross income for expenses in connection with service performed by certain officials) with respect to taxable years beginning before 1991

(34) Sec. 968 (relating to elective carryback of existing carryovers of National Railroad Passenger Corporation)

(35) Sec. 1005(b)(2)(B) (relating to transition rule for instruments described in a ruling request submitted to the Internal Revenue Service on or before June 8, 1997)

(36) Sec. 1005(b)(2)(C) (relating to transition rule for instruments described on or before June 8, 1997, in a public announcement or in a filing with the Securities and Exchange Commission) as it relates to a public announcement

(37) Sec. 1005(b)(2)(C) (relating to transition rule for instruments described on or before June 8, 1997, in a public announcement or in filing with the Securities and Exchange Commission) as it relates to a filing with the Securities and Exchange Commission

(38) Sec. 1011(d)(2)(B) (relating to transition rule for distributions made pursuant to the terms of a tender offer outstanding on May 3, 1995)

(39) Sec. 1011(d)(3) (relating to transition rule for distributions made pursuant to the terms of a tender offer outstanding on September 13, 1995)

(40) Sec. 1012(d)(3)(B) (relating to transition rule for distributions pursuant to an acquisition described in section 355(e)(2)(A)(ii) of the Internal Revenue Code of 1986 described in a ruling request submitted to the Internal Revenue Service on or before April 16, 1997)

(41) Sec. 1012(d)(3)(C) (relating to transition rule for distributions pursuant to an acquisition described in section 355(e)(2)(A)(ii) of the Internal Revenue Code of 1986 described in a public announcement or filing with the Securities and Exchange Commission) as it relates to a public announcement

(42) Sec. 1012(d)(3)(C) (relating to transition rule for distributions pursuant to an acquisition described in section 355(e)(2)(A)(ii) of the Internal Revenue Code of 1986 described in a public announcement or filing with the Securities and Exchange Commission) as it relates to a filing with the Securities and Exchange Commission

(43) Sec. 1013(d)(2)(B) (relating to transition rule for distributions or acquisitions after June 8, 1997, described in a ruling request submitted to the Internal Revenue Service submitted on or before June 8, 1997)

(44) Sec. 1013(d)(2)(C) (relating to transition rule for distributions or acquisitions after June 8, 1997, described in a public announcement or filing with the Securities and Exchange Commission on or before June 8, 1997) as it relates to a public announcement

(45) Sec. 1013(d)(2)(C) (relating to transition rule for distributions or acquisitions after June 8, 1997, described in a public announcement or filing with the Securities and Exchange Commission on or before June 8, 1997) as it relates to a filing with the Securities and Exchange Commission

(46) Sec. 1014(f)(2)(B) (relating to transition rule for any transaction after June 8, 1997, if such transaction is described in a ruling request submitted to the Internal Revenue Service on or before June 8, 1997)

(47) Sec. 1014(f)(2)(C) (relating to transition rule for any transaction after June 8, 1997, if such transaction is described in a public announcement or filing with the Securities and Exchange Commission on or before June 8, 1997) as it relates to a public announcement

(48) Sec. 1014(f)(2)(C) (relating to transition rule for any transaction after June 8, 1997, if such transaction is described in a public announcement or filing with the Securities and Exchange Commission on or before June 8, 1997) as it relates to a filing with the Securities and Exchange Commission

(49) Sec. 1044(b) (relating to special rules for provision terminating certain exceptions from rules relating to exempt organizations which provide commercial-type insurance)

(50) Sec. 1091(a) (relating to termination of suspense accounts for family corporations required to use accrual accounting) as it relates to the repeal of Internal Revenue Code section 447(i)(3)

(51) Sec. 1089(b)(3)(B) (relating to special rule for decedents dying before January 1, 1999)

(52) Sec. 1089(b)(3)(C) (relating to reformations)

(53) Sec. 1171 (relating to treatment of computer software as FSC export property)

(54) Sec. 1175 (relating to exemption for active financing income)

(55) Sec. 1204 (relating to travel expenses of Federal employees doing criminal investigations)

(56) Sec. 1236 (relating to extension of time for filing a request for administrative adjustment)

(57) Sec. 1243 (relating to special rules for administrative adjustment request with respect to bad debts or worthless securities)

(58) Sec. 1251 (relating to clarification on limitation on maximum number of shareholders)

(59) Sec. 1253 (relating to attribution rules applicable to tenant ownership)

(60) Sec. 1256 (relating to modification of earnings and profits rules for determining whether REIT has earnings and profits from non-REIT years)

(61) Sec. 1257 (relating to treatment of foreclosure property)

(62) Sec. 1261 (relating to shared appreciation mortgages)

(63) Sec. 1302 (relating to clarification of waiver of certain rights of recovery)

(64) Sec. 1303 (relating to transitional rule under section 2056A)

(65) Sec. 1304 (relating to treatment for estate tax purposes of short-term obligations held by nonresident alien)

(66) Sec. 1311 (relating to clarification of treatment of survivor annuities under qualified terminable interest rules)

(67) Sec. 1312 (relating to treatment of qualified domestic trust rules of forms of ownership which are not trusts)

(68) Sec. 1313 (relating to opportunity to correct failures under section 2032A)

(69) Sec. 1414 (relating to fermented material from any brewery may be received at a distilled spirits plant)

(70) Sec. 1417 (relating to use of additional ameliorating material in certain wines)

(71) Sec. 1418 (relating to domestically produced beer may be withdrawn free of tax for use of foreign embassies, legations, etc.)

(72) Sec. 1421 (relating to transfer to brewery of beer imported in bulk without payment of tax)

(73) Sec. 1422 (relating to transfer to bonded wine cellars of wine imported in bulk without payment of tax)

(74) Sec. 1506 (relating to clarification of certain rules relating to employee stock ownership plans of S corporations)

(75) Sec. 1507 (relating to modification of 10 percent tax for nondeductible contributions)

(76) Sec. 1523 (relating to repeal of application of unrelated business income tax to ESOPs)

(77) Sec. (relating to gratuitous transfer for the benefit of employees)

(78) Sec. 1532 (relating to special rules relating to church plans)

(79) Sec. 1604(c)(2) (relating to amendment related to Omnibus Budget Reconciliation Act of 1993)

SPENDING BILL PROVISION

(1) Sec. (FUTA exemption for prisoners)

Mr. COLLINS. Mr. Speaker, I yield 1 minute to the gentleman from Florida [Mr. WELDON].

Mr. WELDON of Florida. Mr. Speaker, I thank the gentleman for yielding me this time, and I congratulate the chairman of the committee for the good work he did in this tax cut.

I would like to talk a little bit about reality, who is going to benefit from this tax cut. This is a family in my district, the Auger family. We have here Jim and Donna. He is a plumber, she cuts hair. Here are their three kids: Christopher, the oldest, Anthony, and Danae, the young girl. They are going to get $1,500 of reduction in their taxes for the $500-per-child tax credit times three.

When this young man is in college in about 3 years, they will get $1,500 of tax reduction. They will still get the $500 per child tax credit for these two. This is flesh and blood. These are real middle class families.

Do not believe the lies that this is a tax cut for the rich. This is a tax cut for the middle class. It is a Republican tax cut. It would have never happened if it were not for the election in 1994 and the persistence of the gentleman from Georgia, Mr. NEWT GINGRICH, and the gentleman from Texas Mr. BILL ARCHER. I encourage all my colleagues on both sides of the aisle to vote for it.

Mr. COLLINS. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. GEKAS].

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

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

In 1986 many of us voted against the then tax reform bill because it swept away, with one bill, capital gains and some other attractive features of that code.

One of them has been restored in this bill, and it makes my farmers and other colleagues' farmers rejoice. Earned income averaging, which was a part of the 1986, but swept away, is now restored.

This means our farmers, who experience a drought in 1 year and have minimal profits can balance that loss against a bumper crop that might happen the next year. This was an excellent feature on which our farmers relied prior to 1986. Now we can be happy to report that it has been restored in the current tax bill.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Maine [Mr. BALDACCI].

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

Mr. BALDACCI. Mr. Speaker, first of all, before the time begins, I would like to thank the ranking member, the gentleman from New York [Mr. RANGEL], for his leadership, and the gentleman from South Carolina [Mr. SPRATT].

Mr. Speaker, in 1993 a major piece of legislation was passed, and at that time it was being criticized roundly in both Chambers of this Congress. In fact, one senior Member, in leadership now in the other body, had referred to the fact that if he was wrong about what was going to happen, that he would be the first one to take the hammer and chisel and put President Clinton's face on Mt. Rushmore.

Since 1993, Mr. Speaker, we have had 5 years in a row of deficit reductions. With reinventing and streamlining the Federal Government, we are at the lowest number of Federal employees since the 1960's. Because of the hard work done by President Clinton and Vice President GORE and the Democrats in Congress, we are at a point where we are going to be able to build a bridge to the 21st century, where we are going to focus on children's health, on working families and we will reward ''work'' and not ''not work''. We are going to make sure that families, family businesses, and farms have the breaks that they deserve.

All the hard work that has gone on to get to this particular point is a credit to those that have served and passed that legislation.

Mr. COLLINS. Mr. Speaker, I yield 1 minute to the gentleman from South Dakota [Mr. THUNE].

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

I want to point out today that I believe what we are hearing on the floor today is liberalism's last gasp. It is no wonder we are seeing some of our friends on the other side of the aisle having a hard time containing their disappointment, because liberals always look at things in terms of winners and losers. But we have a bill here where the American people are the winners.

The people of this country, Democrats and Republicans, who have come together to do something that is very much in the best interest for the future of this country, because it gives people more control over their economic future, that is really what this is about.

The State I come from, the State of South Dakota, there are so many things in here that will help rural areas of this country. Look at agriculture, estate taxes, capital gains, the family tax credit, income averaging, and deductibility of health insurance premiums. These are all things that will benefit rural areas of this country.

So it is a project that I give credit to the gentleman from Texas [Mr. ARCHER] and the members of the House Committee on Ways and Means for something that was very difficult, and that is trying to drive a Mack truck through a car wash; to get a lot of tax relief out of a little bit of revenue. I think they have done a wonderful job, and I hope my colleagues will support this bill today.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. FAZIO], the Chair of the Democratic Caucus.

Mr. FAZIO of California. Mr. Speaker, those of us who are fighting tooth and nail for working families are fortunate that with the strong backing of Democrats in this House, who stood up and opposed the Archer bill, President Clinton, as PHIL GRAMM has said, cleaned the clock of Republicans in these negotiations.

The President and House Democrats fought for and won for families like that of Debbie and John Ellis, who live in my district in Woodland, CA. Debbie will make $29,000 this year as an office manager for the California Highway Patrol. She is the mother of two boys. Her 21-year-old is working this summer to save enough money to attend Sacramento City College this fall. Her 10-year-old, Joshua, is a fourth-grader at the Woodland Christian School.

The Ellises will receive the college tax credit so their son can get his degree, and they will be eligible for the new child tax credit, which they say will be used to help them get their car repaired.

The Republicans would have denied this family and millions of others just like them tax relief this year. In fact, providing tax relief for these hard working families was called, and I quote, welfare. What an insult.

Mr. Speaker, I want to thank the gentleman from New York, Mr. CHARLIE RANGEL, and President Clinton for hanging tough in these budget negotiations and for fighting for working families. Because of this debate, the American people know who is on their side, and I think they will remember that.

Mr. COLLINS. Mr. Speaker, I yield 1 minute to the gentlewoman from Texas, [Ms. GRANGER].

Ms. GRANGER. Mr. Speaker, as President, one of Ronald Reagan's favorite things to do everyday was to read the mail. Sometimes he would write out personal responses, but usually he just liked to read what the American people were saying.

One Friday afternoon, as Mr. Reagan was leaving for Camp David, his director of correspondence, Anne Higgins, gave him a stack of letters to read. Included in the stack was a very angry letter from an extremely upset Democrat in New Jersey.

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

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

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

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

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

□ 1300

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

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

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

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

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

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

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

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

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

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

The SPEAKER pro tempore [Mr. LAHOOD]. The gentleman from Georgia [Mr. COLLINS] has 58 minutes remaining. The gentleman from New York [Mr. RANGEL] has 34½ minutes remaining. The gentleman from California [Mr. STARK] has 2½ minutes remaining.

So the gentleman from New York [Mr. RANGEL] is correct.

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

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

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

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

For the American people saying ''What is the big deal? You should have been here years ago?'' but to give $500 per child tax relief, to provide educational incentives, to make sure that the largest investment to most families, their family residence, they do not get taxed by Uncle Sam, they will get the relief of up to $500,000, that is good. To provide for job-creating capital gains relief and small business exemptions, up to 100-percent exemption for small businesses paying health care premiums, protection from estate taxes of $1.3 million, for family farms and for small businesses, this is the right thing to do.

Some $600 billion the Democrat Congress took away from the American people in the early 1990's. To give $94 billion back is not only the right thing, it is long overdue. I commend my colleagues for their hard work.

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

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

Mr. BUNNING. Mr. Speaker, I rise in strong support of H.R. 2014, the Taxpayer Relief Act. What a difference a few years makes. Just 4 years ago, without a single vote, the Democrat Congress passed a $260-billion tax increase as part of the 1993 Clinton tax bill, the largest tax increase in dollars in our history.

Today we vote to cut taxes by about $275 billion over a 10-year period. I think it is fantastic that we have been able to turn around the thinking that goes on in Washington, DC. We absolutely believe that there is going to be an awful lot of people on both sides of the aisle that will support this bill. Because it is good for America, it is good for the ordinary taxpaying person, it is good for kids, it has got so many things that we have worked so hard on that I think America prospers because of this bill.

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

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

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

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

(Mr. PRICE of North Carolina asked and was given permission to revise and extend his remarks.)

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

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

There is more good news in this bill for Americans seeking to get the training the modern workplace requires, especially the Hope Scholarship which will provide a $1,500 tax credit for the first 2 years past high school and a 20-percent credit for succeeding years.

I am also pleased that this conference agreement removes the notorious tax on the tuition waivers earned by graduate students that was included in the House-passed bill. Students in my district and across the country raised their voices in justified protest, and this bill shows that their voices have been heard.

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

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

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

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

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

What a wonderful victory for the American people, the working American family, people who have children, people who have to try to move around this country and find the best job and the best way they can provide for their families. They get to take a $400 tax credit next year. They begin to take the deductions next January on that tax credit per child.

My colleagues, they also can start to say, ''If I have to move and I have to sell my house, I do not have to calculate not to carry forward until I am 55 years of age, but I can take that capital gains now.'' What a wonderful opportunity for people to find the best job, the best venue to raise their children.

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

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

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

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

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

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

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

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

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

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

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

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

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

☐ 1345

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

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

Mrs. THURMAN. Mr. Speaker, I thank the gentleman from New York [Mr. RANGEL] for yielding me this time. I rise today in strong support of this conference agreement. I would like to point out that many of its best provisions were conceived, I believe, in 1996 as part of the Democratic families first agenda. Democrats said we had to finish what we began in 1993 with the largest deficit reduction package ever enacted and the only one that has worked. This bill will balance the budget once and for all.

We committed ourselves to expanding health care for children; 5 million children will get health insurance because of this bill.

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

In Florida's Fifth District, the average median household income is about $21,000 a year. The capital gains provision in this bill will help thousands of seniors in my district who have their nesteggs invested in mutual funds.

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

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

This is a family bill. Hardworking middle class families will enjoy the benefit of the child tax credit and the largest education initiative in a generation. But most of all, we all will enjoy the benefit of a balanced budget by the year 2002.

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

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

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

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

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

Mr. ARCHER. Mr. Speaker, I yield such time as he may consume to the gentleman from Oklahoma [Mr. WATKINS].

Mr. WATKINS. Mr. Speaker, I rise for two reasons, one to express my support and how great a day I think this is for the American people, to realize that we finally have worked to where we are all in agreement in a bipartisan way to have a balanced budget for the first time in nearly 30 years and also to have tax cuts for the first time in 16 years. I am excited about it because I am very much a pro-growth economic development type of person. I know we have got a lot to do in order to prepare an economy for the 21st century, the global competitive economy that our children and grandchildren will have to compete. I want to make sure that no one is left behind.

Mr. Speaker, in the bill, as the chairman of the committee well knows, the Senate receded to the House provision in conference dealing with Native Americans in Oklahoma. However, I believe it is essential we clarify the congressional intent. After meeting with the gentleman from Texas, along with Senator NICKLES and the staff of the Committee on Ways and Means and the Senate Committee on Finance and the Joint Committee on Taxation and the Senate Committee on Indian Affairs, the Department of Interior, the Bureau of Indian Affairs and many others, it was concluded it was necessary to create kind of a ''bright-line'' test for determining which Oklahoma lands qualify for section 168(j) to avoid first costly litigation, and also to clearly define the language that is in the House bill which says the ''lands in Oklahoma within the judicial area of an Oklahoma Indian tribe,'' to make sure it means for purposes of this legislation ''lands within boundaries of the last treaties with the Oklahoma tribes.'' This definition narrows the land area compared with the current law by eliminating the unassigned lands.

Because I believe it is important that we clarify this matter, I would ask if the chairman of the Committee on Ways and Means concurs with this explanation.

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

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

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

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

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

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

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

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

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

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

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

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

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

The estate tax relief, something that we advocated, the Blue Dogs and others, glad to see now a $1.3 million estate tax relief for family held businesses, as my colleague from Iowa a moment ago so eloquently put.

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

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

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

Mr. SOLOMON. Mr. Speaker, I am embarrassed after that introduction by the gentleman from Texas [Mr. ARCHER], but I am not embarrassed to stand up here and hand out accolades to the gentleman from Texas [Mr. ARCHER], the chairman. When the Speaker pro tempore and I were here way back in the late 1970's, or I was and then he came in 1980 with Ronald Reagan and the gentleman from Texas [Mr. ARCHER] was still here, this country was on hard times. I was a businessman just before that, back home, a small businessman. I recall having to make a corporate loan for my company in which we paid 2 percent above the prime rate and that was 23.5 percent, to borrow money to expand our business.

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

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

That is how important this bill is today. When we think about people today and the very fact that two-thirds of the American people today filing income taxes take some capital gains and of those two-thirds, 50 percent are older Americans living on fixed incomes, with incomes of less than $40,000. In other words, $25,000, $35,000. That is how important this is. Because that is bread and butter on the table of those people who have worked all their lives but finally now have to dip into their savings in order to make it, in order to maintain a decent standard of living. That is how important this bill is today.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The bill provides Hawaii with broad based capital gains reduction. Capital gains come from the owning of assets such as stock, bonds, homes, real estate, and businesses. The top capital gains tax rate drops from 28 percent to 20 percent. This rate will drop further to 18 percent, effective in 2001, for individuals who hold assets for 5 years or longer. For married couples with incomes less than $41,200 the capital gains tax rate drops from 15 percent to 10 percent. The rate will drop further to 8 percent, effective in 2001, for married couples who currently earn less than $41,200 and who hold assets for 5 years or longer.

The bill provides Hawaii with estate tax relief. The estate tax will increase from the current $600,000 to $1 million. It will be phased in over a 10-year period.

The bill provides Hawaii with expanded IRA—Individual Retirement Account—opportunities. It creates new IRA Plus accounts. Contributions are not deductible, but interest, dividends, and capital gains accumulate tax free. Allows penalty free withdrawals for first time home purchases. Further, withdrawals are tax free if the account is held for at least 5 years and the account holder is at least 59½. Income limits on traditional IRA's are raised.

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

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

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

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

This is an important day for the people of Hawaii and our Nation. H.R. 2014 provides the people of Hawaii and our Nation with tax relief. I urge my colleagues to support this measure.

☐ 1400

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

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

Mr. BOYD. Mr. Speaker, I first want to congratulate the gentleman from Texas [Mr. ARCHER] for his work over the many, many years and also my friend, the gentleman from New York [Mr. RANGEL], the ranking member.

As my colleagues know, we are going to pass today and I am going to vote for a tax cut bill which is on balance a very good bill, and it is a much better bill than it was when it left this House of Representatives earlier because it had many provisions in it at that point in time which caused many of us, including myself, to vote against it. But the conference has chosen to take those provisions out, and that makes me very happy.

However, there is one very obscure provision which is very onerous which I want to tell my colleagues about, and that is a tax exemption repeal for a Teachers Insurance Annuity Association—College Retirement Equity Fund, better known as TIAA–CREF. TIAA–CREF was created in 1918 by Carnegie Foundation to provide a portable pension fund for university employees. It has had tax exempt status for 79 years, and, my colleagues, we are going to repeal that tax exempt status in this piece of legislation that we are going to pass today, and that is wrong.

I would ask my colleagues to work with me because the repealing of this tax exempt status will mean that there will be a 5-percent reduction on average of the average university employee retiree over the next few years, and I would ask that Members will work with me to repeal this provision in the future.

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

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

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

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

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

This balanced budget agreement delivers for the hard-working men and women of Bergen and Hudson Counties, NJ, and that is why I am proud to support this historic balanced budget agreement. Promises that were made have now been promises kept.

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

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

Mr. MENENDEZ. Mr. Speaker, what will morning in America look like after we pass this bill? What will be the American vision of the future? We delivered the balanced budget based on tough choices and sacrifices made by Democrats in 1993, but the Democratic vision for America did not stop with a tax cut for corporations and the wealthy. Democrats fought for and delivered a far greater vision for all Americans and a more inclusive tax cut.

Tomorrow morning in America, because of Democrats, 24 million more children will wake up with health care, millions more than under the Republican plan. Tomorrow morning in America, because of Democrats, every student with a talent and ambition will awaken to the opportunity to attend a 4-year college and get a degree, millions more than under the Republican plan. Tomorrow morning in America a hard-working farmer or small business person will be able to keep the family business in the family. Families will more easily sell and buy better homes. Hundreds of neighborhoods will awaken knowing that the local scourge of a nearby polluted brownfield will be cleaned up. Tomorrow morning in America twice the families in my own home State of New Jersey will receive a tax credit for their children because Democrats fought for a better vision of the future.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Speaker, I rise in support of this Clinton tax package. It is build on the hard work of the 1993 vote. Quite frankly, voting for tax breaks is one of the more pleasant tasks or the easier tasks that Members of Congress have to perform. Everyone likes to vote for a tax break, many of our constituents want them and are most often pleased with the tax breaks.

But the fact is there would be no tax break legislation today available, without a bigger deficit but for the actions the 10 past years. Congress is not going to do what was done in the riverboat gamble of 1981. Congress is not going to do that. Today we are pursuing a much different policy path. The Federal Government fiscal policy actions have earned this tax break by making tough votes such as the vote on the 1993 budget. Today this mostly positive tax breaks. Eighty-four percent of this bill the next 5 years goes for a child credit and education credit. Investing in people; that is the type of tax breaks the American families need. There is some other provisions in here, but that is reflection of political symmetry of the Federal Government.

This action is no Ronald Reagan riverboat gamble, rather it is a good bill and not savaging the basic programs that we came here and pledged to support, not the policy path of 2 years ago when, in fact, programs, like Social Security and others were the sacrifice for lavish budget busting tax breaks, this tax policy is a policy earned by solid fiscal discipline. We may be a little bit ahead of the curve in hoping to reduce the deficit and being certain that the deficit is under control but the fact is this is a sound tax break, a result of deliberate policy it eliminates the indexing, it eliminates the automatic pilot type of provisions that were in the initial bills. It is a measure that will get a big vote today, but it is built, as I said, on hard work of 1990. I might say the budget of President Bush and Congress, and the 1993 budget of Clinton and Congress. Congress has not since the early 1980's been able to vote for additional substantial tax breaks or cuts, because the policy path of excessive tax giveaways and uncontrolled Pentagon spending dug the deficit hold so deep that the emphasis has been on correcting and rehabilitation of the consequence of the Reagan riverboat gamble tax policies.

Finally, today in a measured manner and on a reasonable basis maintaining the programs that the American families need to care for themselves and one another, we can return and focus on tax breaks which help families and invest in people.

Certainly the price of this has been some tax breaks for special groups that are not needed nor justified, but the Democrats led by President Clinton turned the GOP Congress product of 2 years ago and turned it inside out to principally help families and balance the budget without blowing up the budget for the future. A positive bill for which I can vote and urge others to support.

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

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

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

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

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

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

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

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

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

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

Ms. SANCHEZ. Mr. Speaker, I rise today in support of the balanced budget agreement. Today we will have the opportunity to provide hard working Americans with the first balanced budget in a generation.

We have accomplished an amazing feat today. The President and Congress have come together for a truly bipartisan budget agreement.

A budget that is balanced, that provides fair tax relief, that provides coverage for children's health care, and that truly expands education opportunity.

Congressional leaders and the President have worked to draft a bill that helps middle class parents. These Americans have funded the deficits of the last decade and deserve a return on their investment.

This historic investment in education includes the HOPE Scholarship Program that truly will give hope for a college education to working-class American families.

It includes the largest Pell grant increase in two decades. As a former Pell grant recipient, I know how much we need this funding.

This agreement provides the first tax cut for Americans in 16 years. This budget gives a $500 per child tax credit to every family in America. It also allows parents to save for their child's higher education with the education IRA.

We have finally recognized what our parents and community leaders already knew, that when we cut taxes to families, when we provide children's health care, and when we invest in education—when we balance the Nation's budget—our cities, our States, and our Nation will prosper.

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

Mr. DAVIS of Illinois. Mr. Speaker, I want to first of all commend and congratulate all of those who have worked to reach this accord. But when I viewed the balanced budget agreement I asked two fundamental questions:

Is it fair and does it go far enough to lift the boats of all Americans, including the poorest among the poor?

And while I agree that there has been serious movement toward the inclusion of more families and more children, I still must ask the question, is it good for all of America?

This agreement provides tax relief for the richest of Americans to the tune of over 70 percent. Is that fair? Under the current agreement corporate welfare continues to be protected, and so I agree that it is movement, but I do not believe that it goes far enough to really touch the poorest of the poor.

I believe that we can do better. We provide serious breaks for the rich, a few breaks for the middle class, practically no breaks and little hope for the poor.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Tennessee [Mr. CLEMENT].

Mr. CLEMENT. Mr. Speaker, several days ago I had the opportunity to participate in a news conference at the White House, and it was a true love-in, it was a true commitment that we are going to balance the budget, and it is historic. We are on track toward a first balanced budget since 1996. We are on pace toward our first tax cut that we have really had since 1981. A couple of years ago, how many of us in this Chamber could have predicted such far-reaching and much needed reform?

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

And it is a pro-family reform as well, $500 per child credit, approximately doubling the tax exemption on real estate for both individuals and couples.

Let us keep the budget process moving, let us cast a ''yes'' vote, and let us balance the budget once and for all for all Americans.

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

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

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

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

So who is getting the short end of this deal? Not only are the poor in inner cities, where the economy is not performing, still no jobs, low paying jobs, jobs that have been exported to Third World countries for labor, let me tell my colleagues about districts like the district of the gentlewoman from Idaho [Mrs. CHENOWETH], in her State's panhandle with the median income of less than $25,000 per year and a per capita income of $11,530.

□ 1415

These are working and poor people in districts like that of the gentleman from Florida [Mr. CHARLES CANADY], Poke County, FL, with a median household income of $25,315 per capita and personal income of about $12,277.

I want to tell the Members, this is not the right way to go. It is going to pass. Republicans are going to take credit, Democrats are going to take credit. Nobody knows what is in the details. But I want to tell the Members, the American people will find out. They will know in the final analysis. This is no deal for the average Americans. Rich people will make out again. They will be partying on Wall Street tonight.

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

Mr. Speaker, I would just briefly respond to the gentlewoman from California [Ms. WATERS] and say that every Member has had an opportunity to know every detail on this bill because every detail has been on the Internet beginning at 7 o'clock last night.

I know Members diligently have wanted to peruse this bill and to learn the details. I am sure that last night they have stayed with their staff and have had the opportunity to learn all of the details that are in this bill.

Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. DELAY], my neighbor and my friend.

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

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

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

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

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

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

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

This is real tax relief. People in every stage of life will receive something, families with children to pay for schooling, for home ownership, for home-based businesses, or to save and invest for retirement. From the family farm to the small business, everyone benefits. Families deserve the freedom our tax relief plan will bring.

The $500-per-child tax credit will give parents more freedom in raising their children to be healthy, well-educated, productive adults. I want to commend the Republican leadership and Chairman ARCHER for an excellent job and a tremendous first step.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the respected member of the Committee on Ways and Means, the gentleman from Minnesota [Mr. RAMSTAD].

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

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

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

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

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

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

Mr. ARCHER. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. CALVERT].

Mr. CALVERT. Mr. Speaker, I stand in favor of this bill. I also want to commend the chairman of the Committee on Ways and Means for an excellent job.

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

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

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

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

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

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

We have to accept some bad with the good. Democrats, I know for example, fought for about 5 million children to be included within the child tax credit because they happen to fall within families that earn between $18,000 and $30,000. Republicans were able to achieve victory for families earning $75,000 to about $160,000, and including them within the child tax credit as well.

Democrats fought hard to get another $8 billion more for child health care, to try to help cover some 5 million of the 10 million uninsured children in this Nation. Republicans fought very hard and succeeded in getting the corporate tax rate dropped on capital gains tax rates.

Democrats fought very hard to make sure that empowerment zones and brownfields were included in the legislation, which would allow for economically depressed areas, those areas that had contamination in the soil, to be reached by new entrepreneurs who are willing to take a little bit of a risk, and they will get some incentives and tax breaks if they establish a business in these areas.

Republicans, on the other hand, fought very hard to get IRA's, individual retirement accounts, that will now go to those who can put up to about $2,000. If they happen to have incomes up to about $160,000, now they will not have to pay taxes on those particular IRAs. They benefit.

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

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

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

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

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

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

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

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

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

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

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

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

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

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

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

Mr. Speaker, Democrats fought for and won this credit for 15 million taxpaying, working families that the Members on the other side of the aisle argued vehemently were less deserving than families making over $100,000 a year. Republicans failed the fairness test even though they originally promised in their Contract With Americans back in 1994 that those

15 million would be included in their targeted tax breaks. Thanks to our work, the work of Democrats, those working class Americans are included today.

Mr. Speaker, the American public knows who stood up for the families who send their children to our community colleges, to our great land grant universities, our venerable State colleges and universities and our Historically Black Colleges and Universities. Americans know that they will be able to contribute tax-free to State run prepaid tuition plans because of the work of Democrats. They know that the HOPE Scholarships that give students a tax credit for the first 2 years of college worth 100 percent of the first $1,000 of their tuition and 50 percent of their second $1,000 of tuition has a Democratic stamp on it. They know that in the third and fourth years of their college education they will get a tax credit worth 20 percent of $5,000 of tuition expenses for each year because of the Democrats on Capitol Hill.

Mr. Speaker, there can be no doubt about which Members of Congress expanded the welfare-to-work tax credit in order to help those Americans and their employers who are making the transition from welfare to work. This bill gives employers who hire those who may have been less fortunate than others and have been on welfare for an extended period of time a tax credit equal to 35 percent of the first $10,000 in wages in the first year of employment and 50 percent of the first $10,000 in the second year. I offered this very same amendment in the 104th Congress, I am glad today it passed. The targeted urban communities that this part of the bill will help includes the city of Houston and the people there and in other urban areas who are making the effort to turn their lives around. These are the people for whom government can truly make a difference. These are the people who may not have anybody in their lives to give them boosts and incentives to help them make a better life for themselves.

Mr. Speaker, I am also mindful of the consumers who fly on our airlines like Southwest and Continental. America's airlines, both big and small, as well as their passengers are winners under this bill, although we can do better. The financial reform that begins with this bill will insure airline safety in the future, and airline industry prosperity.

Mr. Speaker, I am proud to be a Democrat and vote for this bill. It is good for our country and Democrats have helped those who really need our help.

Mr. ARCHER. Mr. Speaker, I yield 1½ minutes to the gentleman from South Carolina [Mr. GRAHAM].

Mr. GRAHAM. Mr. Speaker, I do not think I can pick up with the passion we just saw, but that is good news. This is an amazing day.

Mr. Speaker, the firmness and fairness of the gentleman from Texas [Mr. ARCHER] brought this deal about. I hope the American people understand that. Our Republican leadership team has done a good job, but the best decision they ever made was to let the gentleman negotiate for us. It has really helped a lot.

The gentleman from New York [Mr. RANGEL] is going to vote for this bill, I understand. I know this is difficult. I congratulate him for making what has to be a difficult compromise, but I think the Nation is better off.

I am not going to talk about the details for the next few seconds. The important thing to me is that we are taxed from the time we get up in the morning and drink our first cup of coffee to the time we go to bed and watch a show on television and pay cable taxes. We are taxed from the time we are born until the time we die. Today we get just a little bit of our money back, and a little money and power flows out of Washington today. We do not need to worry about the details.

☐ 1430

The most important thing that you need to understand about today is that, when President Clinton moved to the middle and agreed that money and power need to come home in a fair way and said giving money and power back to families, businesses, and local government is a good thing, the public has rewarded him, and they should, and the Democratic Party. But let it be said, as a member of the Contract with America class, that our legacy to this country is that new people came to Congress and sang a different song, and that tune has been picked up by people who have never sung it before and it is music to the American public's ears.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. BENTSEN].

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

Mr. BENTSEN. Mr. Speaker, I thank my colleague from New York for yielding me this time. I am going to vote for this tax bill for a couple of reasons. First of all, I want to thank the gentleman from New York [Mr. RANGEL] and the President for making the child tax credit refundable. Somebody making down to $18,000 a year is not on welfare. They should share in this tax cut.

Second of all, the education investment is probably the most important investment vehicle that we have in this tax bill to move the economy forward. With respect to the capital gains proposal, the final proposal actually, I think, is far better than we started because it addresses holding periods. I think that is much more efficient economically. It allows us to not reward churning of accounts but to reward long-term investments that are more productive. With respect to some issues in it, I am pleased that you dropped the difficult minimum provisions that have been requested by the administration. That is very important to State and local governments.

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

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

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

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

I am also pleased that this legislation rewards long-term investment by reducing the maximum capital gains rate to 20 percent for investments held for at least 18 months and 18 percent for those assets purchased after 2000 and held for more than 5 years. The capital gains rate would be reduced to 8 percent for such long-term investments for taxpayers in the 15-percent tax bracket. This provision moves in the direction of legislation I have introduced to reduce the capital gains tax on a sliding scale based on how long an asset is held, which I believe is both economically productive and fiscally responsible. In this way, we will reward patient capital that is so vital to starting and expanding businesses and creating jobs.

I regret that the bill continues to impose a per segment head tax of $3.00 under the airline ticket tax. This is unfair to short haul, low cost air carriers such as Southwest Airlines based in Texas. It belies the fact that both short and long haul carriers pay an equal amount of the majority of capital costs of the Nation's airports through landing and gate agreements at the local level.

Finally, I believe this legislation is more fiscally responsible than the earlier bill approved by the House. That bill included provisions, such as capital gains indexing, that would have caused the size of the net tax cuts to grow rapidly after the first 5 years. The result would have been new and larger deficits and increased pressures to cut vital programs such as Medicare, Medicaid, education, and environmental protection. I remain concerned that this conference report still poses that risk. As I stated yesterday during the debate on the spending cut bill, there are no guarantees that this plan will work. We must carefully track the revenue stream and ensure that the next tax cuts remain within the projected cost. And we must be willing to make corrections if they do not.

But on balance I believe this is a good bill that will provide tax relief to our families, help more young Americans get the college education they need, and reward long-term investment that creates businesses and jobs. I urge support for this legislation.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Texas, Mr. SAM JOHNSON, a highly respected, great patriot member of the Committee on Ways and Means.

Mr. SAM JOHNSON of Texas. Mr. Speaker, Republicans have done what some called impossible. We have balanced the budget, provided the most significant tax relief in 16 years. Not since Ronald Reagan gave us 7 years of unprecedented economic growth have we given so much relief to the millions of families, small business owners, farmers, and other hard-working Americans who deserve to keep more of the money they earn.

This bill is going to free up dollars, free up money, taxpayer dollars, I might add, which previously had been used for wasteful government spending. It returns this money to the rightful owners, to the people of the United States of America, to those who create jobs, economic growth, and wealth. It is going to provide more people with the opportunity to achieve the American dream of owning their own home, seeing their children go to college, and having enough money to retire and just enjoy their grandchildren.

Mr. Speaker, I wanted to thank the chairman of the Committee on Ways and Means, the gentleman from Texas [Mr. ARCHER], my good friend, a super Texan and a great American for his hard work and determination in making sure that Americans get what they so richly deserve, a big tax cut. It is long overdue. It is finally time that this Congress has done something good for America. God really has blessed America.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. KLECZKA], a member of the committee.

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

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

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

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

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

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

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

Mr. Speaker, I rise in support of the tax bill before us today. The Taxpayer Relief Act brings us to a balanced budget while also providing tax relief to many Americans.

On balance, I would have liked to have seen across-the-board tax relief for everyone, not just those with children, or those selling a house or securities. However, this was not to be since my committee amendment to increase the personal exemption for all taxpayers was defeated.

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

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

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

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

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

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

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

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

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

The bill provides significant estate tax relief, increasing the amount of an estate exempt from tax from $600,000 to $1 million over the next 10 years. In addition, small business gets more immediate relief beginning next year when family-owned businesses and farms will be eligible for a $1.3 million exemption.

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

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

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

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

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

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

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

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

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

Mr. MANZULLO. Mr. Speaker, I received a letter from Gary Hall, dated July 4, 1997.

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

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

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

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

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

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

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

It gave us deficits as far as the eye could see and did nothing to save Medicare. Today we are prepared to pass another kind of budget. There is a difference. Today we are cutting taxes for children, for college, for farms and for homeowners.

We eliminate the deficit and save the Medicare system which saved the lives of both of my parents. But you ain't seen nothing yet.

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

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

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

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

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

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

☐ 1445

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

Under today's tax bill, 27 million working families will get a child tax credit. Homeowners will be able to keep more of their gains when they sell their home. Students from working families and people who have lost their jobs or want to upgrade their skills will be able to get a $1,500 tax credit from their community college, job retraining, or a 4-year degree. That will all be supplemented in this bill.

Now, these are the people that the Democrats fought for, and we won. But I must tell my colleagues this afternoon and concede that we have paid a price for all of this. This bill is indeed a compromise. In exchange for extending the child credit for working families, Republicans demanded huge tax breaks for the wealthiest 5 percent, and they got them. In exchange for education tax credits, Republicans demanded huge tax breaks for America's largest and biggest corporations, and they got them.

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

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

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

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

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

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

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

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

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

These unfair tax cuts, 75 percent of these tax cuts go to families with over $150,000 in income. Simmons, the beet king in Texas, gets $104 million individually. Sammon Enterprises in Texas gets $23 million, negotiated in the dead of night in the Republican leadership offices, where they probably got those two $500,000 campaign checks from the Amway Co., and they gave Amway $200 million in tax deductions for their Republican contributions.

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

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

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

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

I do not know where his figures come from, but the Joint Committee on Taxation, which distributes and scores this bill, has distributed the benefit of this bill so that 76 percent goes to people under $75,000 of income. Now, with the addition of the change in the child credit and other things that were done, it is even more that goes to people who are under $75,000, and primarily between $20,000 and $75,000 of income.

What has added more regressivity to this bill is the fact that those who favored the cigarette tax have put in place a tax that is the most regressive tax in the bill. Irrespective of how one feels about cigarette taxes, when the scoring is done on regressivity, that pushes more of the burden onto the very, very low-income people.

So I wish we would just get the facts before the Congress and before the people.

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

DEFICIT REDUCTION

The historic budget agreement between the President and the Congress called for net tax cuts of $85 billion over 5 years and $250 billion over 10 years. If we did not pass these tax cuts economists predict that we could reach a balanced budget in 2 to 3 years. This agreement will push that goal out to the year 2002.

In addition, the bill before us includes an even bigger net tax cut of $95 billion over 5 years and $275 over 10 years. Over 5 years the tax cut exceeds the agreement by $10 billion and over 10 years it is $25 billion over the line. There is no reason to enact such a large tax cut package in excess of the budget agreement. In the 10 years beyond 2006, the size of the tax cuts will continue to increase. The cumulative cost by the year 2017 could go as high as $500 to $600 billion. It is folly to enact a plan, which will put additional pressure on the Federal budget, when we know that the pressures on the budget from the growth in Medicare and Social Security will greatly intensify over the same period of time. We are in a time of very strong economic growth. We should use this opportunity to get our fiscal house in order so that we can better deal with the fiscal pressures we know are coming.

TAX SIMPLIFICATION

This legislation will introduce a new and unwelcome magnitude of complexity in the lives of ordinary Americans. This at a time when the public confidence in the IRS is at an all time low and budget cuts for taxpayer services are sure to come. In 1986, we enacted legislation to greatly simplify the Code; achieving lower rates and a simplified structure. This legislation regrettably moves us in the wrong direction and requires that we pay attention to the Tax Code before we made basic decisions. In 1996, about half of all tax returns filed were completed by paid preparers. The child credit, education, and IRA provisions will result in tax relief but at a cost of increased paperwork for those who will have to interpret and plan to benefit from these provisions.

A former Treasury official was quoted as saying, "Who really wins from the tax bill? The tax-return preparers and the manufacturers of tax-preparation computer software.'' These provisions could have been simplified had there not been so much focus on blessing some behavior and striking political compromises. The current Code is already very burdensome, this legislation will certainly increase that burden for many people.

TAX FAIRNESS

We must have a fair tax system. Many at the top of the income scale have benefited greatly over the last several years. That is commendable but we should not enact policies which will accelerate the divergence between those at the top and the bottom of our economy. This bill will do that at a time when we can least afford it. A recent analysis of the bill shows that the average tax cut for middle-income families and individuals will be less than $200 under this bill. Top income earners will pay over $16,000 less in taxes each year under this bill. Families who are in the lowest 20 percent of income are the only group which will face a tax hike under the bill.

Mrs. MINK of Hawaii. Mr. Speaker, I must register my objections to H.R. 2014's airline tax provisions which levy a $2 per stop fee which will be borne mainly by our local short-haul air carriers and their passengers.

I represent the Second Congressional District of Hawaii, which includes all of Hawaii's eight major islands. Obviously, the only way to travel between the islands is by air. Passengers of Hawaii's inter-island air carriers—Hawaiian Airlines, Aloha Airlines, and Mahalo Airlines—will be adversely affected by the new $2 per stop charges under H.R. 2014. A typical round trip ticket from Honolulu to Maui costs under $100. Now there will be added a new $4 tax. That flight is less than 20 minutes! A 5,000 mile round trip flight from Washington DC to San Francisco will also have a $4 stop fee.

These airline tax provisions are clearly unfair to Hawaii's people.

I urge this House to quickly revise this matter and allow Hawaii's people to be treated equitably.

Ms. McCARTHY of Missouri. Mr. Speaker, I rise today in support of the Tax Payer Relief Act of 1997 (H.R. 2014). This historic legislation provides for needed relief for working families. It achieves a goal of mine to balance the budget. reduce the deficit, and invest in our future.

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

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

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

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

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

Mr. KOLBE. Mr. Speaker, I rise in strong support of H.R. 2014, the Tax Payer Relief Act of 1997.

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

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

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

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

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

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

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

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

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

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

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

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

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

What is in the bill before us today? While time does not permit me to discuss every aspect of this bill in detail, let me start by saying that families with children will be the big winners. The $500 per child credit provided in this bill will begin to rebuild the foundation of take home pay for families with children which has been seriously eroded over the past few decades. Indeed, had the current dependent deduction been indexed for inflation from its inception, the per child deduction would be over $8,000 rather than in the $2,500 range that we find today. We needed to do something, whether it be to dramatically increase the deduction—as I have long advocated—or provide a credit—as I introduced at the start of the 104th Congress. Relief is provided in this bill.

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

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

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

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

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

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

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

LIBERALS ARE MIGHTY GENEROUS WITH DEFINITION OF 'THE RICH'

(By Thomas Sowell)

Every year Forbes magazine devotes an issue to the rich—a listing of the millionaires and billionaires who have the most money. Liberals in Congress also talk about ''the rich'' whenever anyone wants to lower taxes. Big taxers and big spenders always like to say that there are ''tax cuts for the rich.''

The problem is that these two kinds of rich people are almost entirely different. Most of the people whom politicians and the media call rich don't have even a tenth of what it takes to make the Forbes list.

Millions of Americans who never would dream of considering themselves rich are included in the inflated statistics used by the liberals who claim that tax cuts are for the rich.

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

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

First of all, the statistics used include money that these people never receive. These estimates assume that income is being underreported and add 20 percent to whatever income is reported. The value of your life insurance and pension fund also is counted as income.

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

The misrepresentation does not stop there. The Clinton administration's insistence that the tax cuts should also apply to ''the working poor'' is a classic piece of disinformation.

Most very low-income families are not paying federal income taxes in the first place. Extending a ''tax cut'' to them would mean nothing if the words were being used honestly. Used politically, however, what these words mean is that more federal money must be given to them anyway a handout renamed a tax cut.

None of this addresses the larger question of whether people making middle-class incomes today have always made middle-class incomes. Many of those who are called rich not only are not, they have not even had middle-class incomes all their lives. They just happen to be in the peak earning years of their lives—as many younger people currently in the lower income brackets will be in later years.

The wife of a prosperous doctor hit the nail on the head when she said she resented people who complained about all the money that doctors make. She asked: ''Where were they when we had three children and $85 in the bank?''

Most Americans do not start off in a high income bracket. They work up to it over the years and reach a peak somewhere in their 50s or 60s. That is where most of the high income and wealth in the country is. Census statistics for 1990 show families headed by someone in the 45- to 64-year-old bracket earning nearly double the income of families headed by someone in the 25- to 34-year-old bracket.

When it comes to wealth, the disparity is even greater. Census data show the net worth of households headed by someone in the 55- to 64-year-old bracket to be several times that of households headed by someone under 35.

Most of the people who are called rich could more accurately be called middle-aged or elderly. They are not a class. They are an age bracket. When they were younger, they were usually in a lower income bracket.

The facts are fairly simple. It is the demagoguery that gets complicated.

Mr. BOEHLERT. Mr. Speaker, I rise in strong support of the tax relief and balanced budget legislation which we have long promised and have finally achieved. Today we are going to follow through on our promises to balance the Federal budget for the first time since 1969 while providing the first major tax cut since the early 1980's.

I realize that the budget agreement is not perfect, but on balance its benefits enormously outweigh any flaws.

First and foremost, the budget accord goes a long way in helping working families make ends meet. Families with young children, under 17, will be able to take advantage of a $500 child tax credit. As these children get older and enter college, we are going to continue helping these families with a package of college tax credits, deductions and other tax incentives to help pay for tuition and pay back school loans.

Should this family own a small business or family farm, we are going to help them pass along their livelihood to their children. Currently, many children cannot afford to continue their family business or farm because they must sell all or part of their family business to pay the enormous Federal estate tax. To help individuals keep farms and small businesses in their families, we are raising the estate tax exemption on family-owned farms and businesses immediately from $600,000 to $1.3 million.

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

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

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

When all is said and done, the American people are the biggest winners today. We are ensuring that they will continue to enjoy a strong economy, that we will no longer burden future generations with our debt, and that in doing so they are going to be able to keep more of their hard-earned income. Today is a great new beginning for America.

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

First, let me point out that passage of this legislation today has only been made possible by the deficit reduction packages of 1990 and 1993–bills that together reduced deficits by over $1 trillion. Those were the real budget balancing votes—they raised taxes and cut spending. It was not easy to pass those bills, but it was absolutely necessary to produce a healthy economy and promote economic growth. The upbeat economic conditions that we are enjoying today are due in no small part to those bills, and the tax breaks provided in this balanced budget package are the fruits of the seeds that were sown in 1990 and 1993 by Democratic Congresses.

As a result of the 1990 and 1993 bills, we can provide tax relief today to millions of working families in districts like mine—hard-working families with incomes of $20,000 and $30,000, families that have been struggling with stagnant incomes to make ends meet and give their children the educational opportunities that will allow them to have a better life. This legislation will help those families to live the American dream.

This bill is a substantial improvement over the bill that was passed by the House last month. Many of the worst provisions in the House version of this bill have been eliminated or moderated. This legislation will, for example, provide the full $500 per child family tax credit to millions of moderate-income households that would not have received it under the House version of this bill. Students attending low cost institutions would receive the full $1,500 HOPE scholarship tax credit under the conference report—unlike the House bill, where many such students would not have received the full credit. The conference report also stripped out the antiworker provisions in the House bill that would have imposed burdensome new responsibilities on labor unions and allowed companies to classify more employees as independent contractors.

These improvements are the direct results of the unceasing efforts of President Clinton and the Democrats in Congress to make this a better bill. Democratic efforts made the family tax credit available to millions of moderate income families. As a result of Democratic persistence and perseverance, the education tax provisions in the bill will help mainstream Americans, not just the wealthiest families. In short, Democrats are responsible for shifting the benefits of this bill from the wealthy to middle-class American families. Likewise, it was Democratic insistence that eliminated unwise House provisions like the indexing of capital gains—provisions that would have increased deficits dramatically in the years after 2002. And Democratic insistence eliminated the antilabor provisions in the House bill. In short, President Clinton and the Democrats in Congress made certain that this legislation contained provisions that will benefit middle-class Americans.

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

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

Mr. HOUGHTON. Mr. Speaker, I am very pleased that the conference report on H.R. 2014 includes a provision to add an exception to the definition of foreign personal holding company income which would apply to income derived in or incident to the active conduct by a controlled foreign corporation of ''a banking, financing, or similar business,'' provided the CFC was predominately engaged in the active conduct of such business. I am also pleased to note that this provision, section 1175, is based on H.R. 1783, ''The International Tax Simplification for American Competitiveness Act,'' of which I was the lead sponsor.

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

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

> The inequitable treatment of the financial services industry under current law jeopardizes the international expansion and competitiveness of all U.S.-based financial services companies, including commercial banks, securities firms, insurance companies, insurance brokers, and finance and credit entities.

By amending the definition of ''foreign personal holding company income,'' section 1175 helps each of those types of entities to compete in international markets.

Section 1175 is set to expire after 1 year. I note, however, that the sunset is a function of revenue concerns, not doubts as to its substantive merit. I look forward to working next year with the Chairman of the Ways and Means Committee and my committee colleagues to make this provision permanent.

Mr. DAVIS of Florida. Mr. Speaker, I rise today in strong support of H.R. 2014, the Taxpayer Relief Act of 1997. This bill, combined with the Balanced Budget Act which we passed yesterday, is a major step toward fulfilling our promise to the American people to put our Nation's fiscal house in order while providing modest tax relief targeted toward the middle class.

First, let me make clear that this bill is a vast improvement to the version of the bill the House passed last month. This conference agreement ensures that these tax cuts are targeted to hard-working middle-class Americans and will not explode in the outyears.

My opposition to the original bill was based partially on the fact that the child credit would have been denied to millions of Americans who earn under $30,000. These Americans are struggling to make ends meet and deserve tax relief just like everyone else. Fortunately, after the insistence of both the Democratic Caucus and the President, the conference agreement provides these Americans with a child tax credit.

Furthermore, I was extremely concerned that the original version would have exploded the deficit in the outyears, unraveling all of our hard work in balancing the budget. While I continue to have concerns over the lack of enforcement included in this package, I believe the bill we have before us today is more fiscally responsible and, if we are vigilant in our efforts to ensure that current estimates translate into reality, will not only balance the budget in the near term, but maintain that balance for years to come.

Undoubtedly, the crowning achievement of this tax package is the unprecedented commitment it makes to education. We all recognize that in order to compete for high-wage jobs in this era of increased global competition, our students need more than just a high school diploma. This bill takes a solid step toward reaching the President's goal of making the first 2 years of college more accessible.

This bill includes nearly $40 billion of tax credits for hard-working middle-income Americans to help offset the tremendous costs of higher education. The bill establishes the HOPE scholarship for the first 2 years of college providing a 100-percent credit for the first $1,000 of costs for tuition, fees, and books and an additional 50 percent for the next $1,000. The bill also provides a tax credit worth 20 percent of $5,000 in tuition expenses for the third and fourth years of college. These credits will expand access to higher education for millions of Americans and provide relief for American families struggling to equip their children with the education necessary to compete in today's economy.

In addition to these tax credits for college, this bill recognizes that learning is a lifelong endeavor and with the continuing changes in the job market, many Americans are going back to school to enhance their chances for achievement. This bill extends section 127 of the Tax Code, allowing workers to exclude from their taxable income up to $5,250 of employer-provided educational assistance.

These tax provisions, combined with the increase for Pell grants and the protection of funding for Head Start we passed yesterday, represent a massive reallocation of our limited resources to education, an investment that will pay dividends for everyone in our country. Clearly, this bill, together with the Balanced Budget Act, proves that we can both balance the budget and invest in our future.

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

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

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

However, I voted for the budget reconciliation conference report because I believe it represents a far more fair and rational plan to balance our Federal budget by the year 2002. While I am not pleased with the level of cuts retained in the agreement for Medicare and Medicaid, I consider this bill a significant improvement. This agreement restructures and preserves the Medicare program. It improves the original plan for Medicare and extends the life of the part A trust fund for at least 10 years. The agreement provides $1.5 billion to ease the impact of increased Medicare premiums on low-income seniors. Negotiators also agreed to eliminate several controversial provisions from the original bill, including increasing the eligibility age from 65 to 67 and a copay for home health care.

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

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

The conference agreement continues Medicaid coverage as an entitlement for disabled children who are losing their Supplemental Income benefits as a result of the stricter definition of disability in the new welfare law. Unlike the House bill which made coverage optional for States, the conference agreement requires States to continue Medicaid coverage for these disabled children.

It is a tragedy that 10 million children in this country are without health coverage. One in three children in Illinois goes without any health insurance—the majority of these children are from two-income families. This bill creates a $24 billion program to expand health insurance coverage for children. Under this initiative 5 million more children will have access to health care.

The agreement also provides a $500-a-child nonrefundable tax credit for each child under age 17. Single parents with incomes up to $75,000 and couples with incomes up to $110,000 would be eligible for this tax credit.

Children and families will also have more educational opportunities under this agreement as students could receive a tax credit worth 100 percent of the first $1,000 of their college tuition costs, and a credit worth 50 percent of the second $1,000 of tuition. In the third and fourth years of college, the student would receive a tax credit worth 20 percent of $5,000 of tuition expenses.

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

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

In summary, I believe this spending and tax plan will help American families prosper. As a supporter of a Balanced Budget Amendment, I also believe this agreement will put our Nation firmly on the path to a fiscally sound future. A balanced budget by the year 2002 will enable us to focus on protecting and educating our children and ensuring the health and retirement of our Nation's seniors and aging baby boomers. Sound national fiscal policy will also allow our Nation to continue to be competitive in a growing international marketplace. The initiatives included in this agreement will help us reach these goals.

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

Three years ago, when I asked the people of Brookhaven, Smithtown, Riverhead, Southold, Shelter Island, East Hampton, and Southampton for the privilege of representing them in the House of Representatives, I promised them I would work to cut taxes. Indeed, many Members of this House were elected because of that promise. With this historic, bipartisan agreement to cut taxes for America's working parents, students, and senior citizens, we are keeping our promise to the American people.

This legislation provides tax relief for more than 40 million middle-income taxpayers with children; cuts capital gains taxes to promote economic growth; and helps America's children realize their dreams by making education more affordable. These tax cuts for America's working families were made possible because the Balanced Budget Act restrains Federal spending by about $1 trillion over the next 10 years. This bipartisan tax cut package is a good start in that direction, reducing the tax burden on working families.

Mr. Speaker, the parents of 102,096 children in my district in eastern Long Island will save a total of $46,050,924 thanks to this legislation. Parents earning up to $110,000 will feel the benefit of this bill almost immediately. This agreement includes a child tax credit that will reduce their total tax bill by $400 for each of their children under 17 in 1998, increasing to $500 per child in 1999. To make higher education more affordable for America's families, this legislation creates a $1,500 HOPE

Scholarship for all students who attend the first 2 years of a college or other postsecondary institution. Also included is a 20-percent tuition tax credit for college juniors, seniors, graduate students, and all Americans who take college classes to enhance their skills and advance their careers.

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

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

Mr. Chairman, as a former Regional Director of the Small Business Administration, I can appreciate the benefits this legislation contains for the more than 82,000 small businesses on Long Island. An immediate $1.3 million estate tax exclusion is provided for the heirs of family-owned small businesses and farms; and the general inheritance tax exclusion is gradually raised from $600,000 to $1 million over 10 years. On top of the increased exclusion from inheritance taxes and capital gains tax relief, self-employed small business owners will be able to deduct 100 percent of their health insurance costs, where they were able to deduct only 40 percent in the past. We also expanded the income tax deduction for home offices.

According to the Congressional Budget Office, three-quarters of American families own assets such as stocks, bonds, homes, real estate, and businesses that realize capital gains. Last year, nearly two-thirds of all tax returns that reported capital gains were filed by taxpayers with incomes less than $50,000 a year. The agreement provides overall capital gains tax relief by reducing the top rate from 28 percent to 20 percent, with the rate dropping to 10 percent for couples with taxable incomes under $41,200. After the year 2000, investors who hold their assets for at least 5 years, will see their rate drop to 18 percent.

Mr. Speaker, I would prefer that these tax cuts were all delivered to the people immediately, rather than being phased in. We can celebrate today, but tomorrow we cannot rest. Mr. Speaker, I support this step in the right direction, but we still have alot of work ahead of us.

Mr. BEREUTER. Mr. Speaker, this Member is extremely pleased with the recently-agreed-to historic budget agreement which provides the first Federal tax relief in 16 years in a balanced and fair manner. The taxpayer Relief Act, which we are considering today, is part of a very important budget agreement that provides major tax cuts to middle-income Americans, just as we have always said it would. It is a balanced, equitable measure that will give direct, immediate tax relief to low-middle and middle-income Americans.

This Member is especially pleased that H.R. 2014 includes the capital gains provisions in a balanced tax relief package that will benefit low-middle and middle-income American families. Also, the $500-per-child tax credit, a variety of education-related benefits, and significant increase in inheritance or ''death'' tax exemptions mean that low- and middle-income families are direct beneficiaries of the legislation before us. Furthermore, the tax relief package provides for expanded IRA's which remove some of the barriers imposed by the Tax Code to private savings, thus encouraging financial planning for education and first-time home purchases.

This Member would also like to thank his colleagues who assisted in ensuring that efforts to repeal the ethanol tax exemption have been defeated. We have stopped the assault on ethanol, and we have kept our promise to farmers and ethanol producers.

Finally, Mr. Chairman, this Member's only regret is that the Taxpayer Relief Act does not include prospective indexing of capital gains for inflation. This provision would have allowed middle-income Americans in the future to invest with confidence that inflation would not devour the return on their investments. However, prospective indexing of capital gains could be accomplished in subsequent legislation and this Member will support such efforts.

Mr. Speaker, this Member supports the Taxpayer Relief Act and urges his colleagues to join him in voting ''yes.''

Mr. PACKARD. Mr. Speaker, we surely have come a long way. After 2½ years, the Republican Congress and the Democratic administration have finally agreed on a plan to balance the budget and provide for America's future. But it was neither the Democrats nor the Republicans who emerged the victors in the budget battle. It was the American people. Hard-working, tax-paying citizens have finally won a major victory. Tax relief has become a reality because the American people have spoken loudly and we have listened.

Last year, both Republicans and the President made campaign promises which included tax relief for working Americans and a balanced budget for America's future. After 2½ years, we can be proud to say that together we have fulfilled our promises to the people. A balanced budget which includes significant tax relief is in hand. This is the first balanced budget in a generation and the first tax relief in 16 years.

Mr. Speaker, today, we can all rest easy knowing that the President and the Congress were able to work together to provide a brighter future for all Americans. Partisan politics were pushed aside; the people emerged as the big winners.

The specifics of our budget agreement will put more money in your pockets. Reductions in the capital gains tax, a child tax credit, educational tax credits, and a decrease in the estate tax rate will help all Americans live out the American dream. In fact, our plan will refund to you one-third of the largest peacetime tax hike ever—the President's 1993 tax increase.

Mr. Speaker, by the end of the 104th Congress, the scorecard on the Contract With America was impressive: two-thirds of the contract had become law. Tax relief for families was the crown jewel of the Contract With America. It didn't happen until this week. But it was well worth the wait.

Mr. BALLENGER. Mr. Speaker, I rise in support of the conference report onthe Taxpayer Relief Act which will reduce significantly the Federal tax burden for the first time in 16 years. Although the balanced budget agreement promised net tax relief of $85 billion, the final compromise bill provides for $94 billion in net relief over 5 years and more than $260 billion over 10 years. I applaud Ways and Means Chairman BILL ARCHER and ranking member CHARLIE RANGEL for their leadership and hard work, and the heavy lifting of the entire committee's staff, I making the tax package a reality.

It is important to remember that there virtually has been no tax relief since 1981, when President Ronald Reagan lived up to his campaign promise and delivered a tax cut measure that led us to one of the biggest economic expansions in our history. In contrast, just 4 years ago, President Clinton gave us the largest tax increase ever, reversing the progress former President Reagan worked so hard to deliver. After assuming control of the House and Senate in 1995, the Republican-led Congress rolled up its sleeves and began the difficult work of bringing real tax relief to the American people. I like to think of it as returning to the taxpayers their own hard-earned dollars.

As has been reported widely, the major benefits of this tax package will go to families with children. Although it has been a number of years since my wife and I had children in our home, I see through the experiences of my daughters the financial challengers of today's young families. I am pleased that the conference report on the Taxpayer Relief Act gives parents a $500-per-child tax credit beginning in 1998. Under this provision, parents with children under the age of 17 will be eligible for this benefit, providing help to 11 million more children than what the President wanted since his tax package only provided this benefit to parents with children 12 years old and under. The second largest benefit to most families will be the tax-free education savings accounts which will help them with college or other post-secondary education for their children.

The conference report on the Taxpayer Relief Act also reduces the capital gains tax rate from 18 percent to 20 percent for those with incomes above $41,500 per year and from 15 percent to 10 percent for those earning below that amount. This measure would benefit three-quarters of American families who own homes, property, or other capital goods. Equally important, it would greatly benefit those people who have worked hard and invested in retirement accounts because their money now will be taxed at a lower rate.

I also am pleased by the conference report's many contributions to the owners and employees of America's small businesses. As one who many years ago started a small business, I can attest to the hard work, sacrifice, and risks involved in earning a living this way and creating jobs for others in the community. Today, small business men and women face more regulatory challenges that I did when I started out. As such, I believe it is all the more important to minimize the negative effect of the Tax Code on this engine of the economy of my district and the entire country. I wish to acknowledge the work of Small Business Chairman JIM TALENT in promoting the important small business tax relief which was advocated by the delegates to the most recent White House Conference on Small Business. I joined in signing Chairman TALENT's letter to the conferees in support of: the home office deduction; accelerated phase-in to 100 percent of the health insurance deduction for the self-employed; and estate, capital gains and alternative minimum tax [AMT] relief for small businesses. Many of my constituents also will welcome the additional delay in penalties for electronic filing under the electronic Federal tax payment system.

Finally, I am especially grateful for the ways in which this tax package clarifies certain of the important pension reforms in last year's Small Business Job Protection Act. In particular, I was supportive of provisions in the House and Senate versions of this measure which were needed to enable subchapter S corporations to establish employee stock ownership plans [ESOP's], giving the employees of these small businesses another retirement option. As a long-time cheerleader for ESOP's, I am enthusiastic over these positive steps to boost employee ownership which have been taken by the 105th Congress.

Clearly, the Taxpayer Relief Act for 1997 is not a ploy to give a tax break to the rich, as some of my colleagues would have us believe. It is a long overdue effort to ease the ever growing tax burden that falls primarily on middle class taxpayers, robbing these families of their freedom. While I view this measure as a great start, I will continue to work with my colleagues to deliver more tax relief and a leaner and more responsive Federal Government in the future.

Mr. GILMAN. Mr. Speaker, I rise in support of the conference report to H.R. 2014, the Taxpayers Relief Act. This measure provides a tax reduction for our Nation's working families, including a $500-per-child tax credit, $1,500 education tax credit, and a reduction in the capital gains tax.

I commend my friend and colleague the gentleman from Texas, the distinguished chairman of our Ways and Means Committee, Mr. ARCHER as well as our leadership for producing this bipartisan tax measure.

I would like to highlight a provision of the bill which will benefit our Nation's police officers and firefighters. Title XV, section 1527 includes a measure, H.R. 1795, which I introduced earlier this session to rescind the dollar limitation on police and firefighter benefit plans—allowing these employees to collect the money that they have rightfully earned by contributing to their pension fund.

Currently, under section 415 of the Tax Code, police officers and firefighters are not eligible to collect the funds that they have earned and instead are required to retire with benefits that force officers to work past their general retirement age in order to afford the high cost of living on the East Coast and other large metropolitan and suburban areas throughout the country.

I urge my colleagues to support this bill. Let's be fair to middle American working families, and to those, who day in and day out, place their lives on the line for our protection.

Mr. DINGELL. Mr. Speaker, I intend to vote in favor of H.R. 2014 albeit with some reservations. This legislation is the product of great compromise by both sides. I am pleased that my Republican colleagues recognized the need to include some tax relief for middle-class Americans in the final version of the tax plan. However, I am deeply concerned that this may still explode the deficit in the out years.

The $500-per-child tax credit will be available to low-income families and the education tax breaks will be fully implemented. We, as Democrats, fought hard to ensure all families will receive some benefit from this tax package. Low-income American families deserve the $500-per-child tax credit just as much as a family whose earnings exceed $110,000. The HOPE scholarship and the student loan interest deduction will make higher education more affordable and accessible for all Americans.

I am still troubled by the distribution of the tax cuts. The capital gains reductions will allow CEO's to cash in their stock options and pay less in taxes than a family earning $30,000. It is the unfortunate nature of compromise that we must cede these generous capital gains tax breaks to the Republicans to provide some relief for hard working low-income Americans.

We should defer the self-congratulations until such time as the budget is actually in balance. The conference agreement is imperfect and there is a definite possibility that it will destroy the Democrats work on deficit reduction which began with the 1993 budget agreement. Nevertheless, I will not stand in the way of the good to reach the perfect. Insomuch as hard working lower-income American families stand to benefit through the $500-per-child tax credit and the $31 billion in education tax cuts, this tax package is good.

Mr. CUNNINGHAM. Mr. Speaker, we are today proudly returning to Americans more of their hard earned money. I am honored to help provide the people of San Diego County some long-overdue tax relief, through my enthusiastic vote for H.R. 2014.

For families with children, we provide relief through a $400-per-child tax credit next year, and $500 per child in the following years, and relief to save for college and education and a better future.

For homeowners, we exempt the sale of couples' homes up to $500,000 from the capital gains tax. This will help spur home sales, and simplify recordkeeping for thousands of San Diego County homeowners.

And for families who save and invest, we have expanded the availability of IRA's and slashed the capital gains tax. Together, these initiatives spur more savings and more economic growth.

Together with the bill we passed yesterday, saving Medicare and controlling Government spending, we are balancing the budget after years of debts and deficits. What a difference it has made for America to have a fiscally responsible Republican Congress. Back in 1993, President Clinton enacted the largest tax increase in American history. This Republican Congress has brought sense to the Federal budget by restoring respect for the budgets of the families and businesses that make America strong and free. And America wins.

As I did when this measure passed the House in June, I want to draw attention to one particular provision of this package: the 21st Century Classrooms Act. This provision provides expanded tax incentives for companies to donate computers and technology to K–12 education. I want to address why this is so important to our children and our future.

By the year 2000, some 60 percent of U.S. jobs will require technical skills, twice as many as today. But, as the GAO has reported, our classrooms lack the technology our children need to succeed. This measure will spur private enterprise to get involved with local schools, and to provide them a new source of up-to-date computers and technology. It ensures that companies have an incentive to donate to schools, to private foundations involved in education, and to organizations that refurbish computers for schools so that they are ready for educational uses.

Just as computers and technology have transformed private enterprise, they can transform our schools and the education of our children. With the click of a mouse, a child can go anywhere in the world. With computer proficiency, a young person can transform a wide variety of information into a multimedia presentation. With the technology available today—to say nothing of the technology available tomorrow—a student can compose music, write and illustrate a short story, study images of distant worlds, and help dream bigger dreams and build a better world for the next generation of Americans.

I am optimistic that the 21st Century Classrooms Act can help transform American education. It will help prepare our young people for tomorrow. And when this House votes for this tax relief today, it will help bring new opportunity to the classrooms of America's young people.

We are indebted to the men and women who assembled this package of tax relief for the American people, including Speaker GINGRICH and the Republican House leadership, Chairmen ARCHER and KASICH and their staffs. But we are most indebted to the Americans who pay the way of this Government. For them, we are providing a tax cut.

Mr. DOYLE. Mr. Speaker, I rise in support of the conference report on the Taxpayer Relief Act, and I commend the conferees for making substantial improvements to H.R. 2014, the original bill that was considered by the House.

I was unable to support H.R. 2014 because it did not provide ample benefits for the middle class and it would have exploded the deficit in the outyears. But this conference report is truly a fiscally and socially responsible tax cut plan. Its costs are controlled in the coming years because the capital gains indexing has been stripped, and the Individual Retirement Account benefits have been targeted to middle-class savers. It is more equitable than H.R. 2014, as it extends the child tax credit to more families earning under $30,000 a year, protects the employment status of workers, and provides more help to families working to pay for their kids' education.

I am particularly pleased that this tax bill contains brownfields tax incentives and an expansion of the Empowerment Zone program. In addition, I am grateful to the bipartisan group of over 60 Members of the House who joined me in urging the conferees to adopt these initiatives. Although these provisions were not in the House or Senate tax bill, I applaud the conferees and the administration for agreeing to include them. Both the brownfields incentive and the Empowerment Zone expansion will help to spur economic growth and spark the redevelopment of distressed communities across the country.

Washington has been home to partisan sniping for decades, and in recent years it has been consumed in a political war of attrition. In the winter of 1995/1996, when the Government was shut down and it felt like animosity and distrust were the only things that the political parties had in common, it seemed unthinkable that we could come up with a budget that would be supported by the President and nearly three quarters of Congress. But this week we have.

No one will find this to be a perfect agreement, and everyone will agree that there are various changes which we will need to work for later. For example, I would like to revisit some of the education provisions, notably the tax increase on TIAA–CREFF pensioners and the failure to extend employer provided education assistance to graduate students.

Despite some flaws, I am proud of this budget reconciliation legislation. This is the most significant accomplishment we have made since I came to Congress almost 3 years ago. In fact, it is the most significant accomplishment that Congress has made since most of the Members of this body have served here. However, it is crucial that we all recognize that this is not the time for us to sit back and congratulate ourselves. We have shown what can be accomplished when we recognize that our shared interests outweigh our political differences. Now we must push ahead with the momentum we have built with this budget agreement. There are many great challenges ahead of us, and we are in a perfect position to work in a bipartisan manner to overcome them.

I urge everyone to look at this not as the end of the game, but as the beginning. I look forward to continuing to work with colleagues on both sides of the aisle, and I invite all Members to make this only the first of many bipartisan achievements.

Mr. SMITH of Texas. Mr. Speaker, the tax bill before the House, the first in 16 years to cut taxes, is one small step for America's families, one historic leap for freedom.

It reverses the Nation's direction and points us down a path toward restoring individual responsibility and accountability.

Can there remain any doubt that individual citizens and their families are far more capable of making effective decisions for themselves than can a distant bureaucracy?

Freedom begins with us, with each individual citizen, each family.

On behalf of the people who have sent us here, we today reclaim their right to decide, to control more of their lives, to direct more of their children's development and their own futures.

Today we celebrate another step on what remains a long, historic journey for mankind.

Mrs. FOWLER. Mr. Speaker, I rise in strong support of the Taxpayer Relief Act.

When I first ran for Congress 4½ years ago, the goals of providing long overdue relief to the American taxpayer and balancing the Federal budget were my paramount priorities. It gives me great satisfaction to know that, with the action this Congress is taking this week, we are accomplishing these goals.

With passage of the bill before us today, for the first time in 16 years the American people will be getting the tax relief that they deserve. This legislation will provide families with a $500-per-child tax credit; give the economy a boost through capital gains tax reductions; offer tax credits and other means to help Americans meet the costs of higher education for themselves and their children; expand home office deductions; increase contribution limits for Individual Retirement Accounts; and establish new IRA's that Americans can use to save more for retirement, education costs, medical expenses, or the purchase of a first home. It also will provide long awaited death tax relief, which will help preserve family businesses and farms.

Mr. Speaker, this bipartisan bill is the product of much work on the part of our leadership, the chairman and members of the House Ways and Means Committee, their counterparts in the Senate, and the White House, which came to this effort belatedly but in the end accepted that the needs of the American people were paramount. First and foremost, however, I believe it springs from the renewed commitment to fiscal responsibility and relief for the overburdened American taxpayer that the Republican majority has championed. I am proud to be a part of the Congress that has finally brought about this outcome, and urge my colleagues to support this historic legislation.

Mr. HASTERT. Mr. Speaker, I rise today in support of this landmark piece of legislation to reduce the taxes of hard-working Americans. Just as yesterday, I was proud to vote for a balanced budget and a program to save Medicare, today we continue to fulfill our promise to the American people.

Congressional Republicans have kept their word. For the first time in a generation, the Congress has passed and will have signed into law a balanced Federal budget. More important, this historic agreement extends well beyond the Washington beltway; it truly will benefit our Nation's children, working families, and senior citizens. It provides middle-class tax relief and saves Medicare while giving seniors choice. The American people are the real winners in this budget accord.

We've saved Medicare through the early part of the 21st Century. As one of the budget negotiators on Medicare, I'm particularly pleased that we've been able to preserve the health care system relied upon by nearly 40 million older Americans. We do so without raising the retirement age or cutting benefits. Instead, our plan increased services and benefits so seniors can choose the best health care plan to fit their own personal needs. No more one-size-fits-all Washington approach. And, this is just one of the positive changes in this budget agreement.

We've following through on our commitment of tax relief for hard-working Americans. Not sine 1981 has the Congress passed and the President signed into law tax relief for working families. And, why not? Families can decide how to spend their money better than Uncle Sam. By standing up to the tax man, we're standing up for hard-working American families.

Mr. Speaker, I'd like to take a few moments to point out the particular features of this comprehensive tax relief package which will help all folks get ahead in their pursuit of the American dream.

Families will benefit through the child tax credit—the cornerstone of our tax relief package. This helps young folks like the working mother in Dixon who called my office this week. She explained how she desperately needs the child tax credit to help pay for food, clothing, and health insurance for her four kids. With a $400 child tax credit in the first year, she'll be able to write off $1,600 from the family tax bill. In the second year, the kid credit bumps up to $500 per child which means her family can then write off a whopping $2,000 from their tax bill. Now that's much-needed and much-deserved tax relief as the conservative Congress continues to change Washington.

Farmers and small businesses also will benefit from this balanced budget. By reducing the death tax and providing capital gains relief, we'll end triple taxation, expand economic opportunities, and bring new jobs and stable prosperity to working folks around the country.

Finally, I simply want to point out how far we've come in a few short years. Since Republicans took the majority in 1994, we've been able to cut Federal spending by $100 billion in 3 short years. We've also reformed the Nation's welfare system by giving a handup as opposed to a handout to our neediest citizens. We've also encouraged personal responsibility on the able-bodied by placing time limitations and work requirements on any future benefits.

Now, we take another giant leap for smarter government and conservative, common sense solutions. Instead of talking about balancing the budget, saving Medicare, and providing tax relief, we've turned the discussion into how to do it. This is a significant development and conservative achievement, but there's still a long way to go. We must continue to ensure the long-term solvency of Medicare and Social Security. We must ensure continued tax relief for America's families and employers. We must continue to ensure that the budget stays balanced and that we begin to pay off our enormous national debt. I look forward to continuing my commitment to get the job done right as I was elected to do because this is the people's agenda and much work remains.

Mr. Speaker, I yield 5 minutes to the majority leader of the House, the gentleman from Texas [Mr. ARMEY].

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

Let me begin by paying my compliments to all the Members of the House, particularly those on the Committee on Ways and Means that worked so long and hard on this bill. Let me appreciate what they have done.

Mr. Speaker, this is a day when this Congress has an opportunity to stand up and say, ''Mr. and Mrs. America, we know who you are, we understand your goodness and we respect your decency. And, Mr. and Mrs. America, we know who we are. We are not the ones who govern you but, instead, we are those who represent you. In short, Mr. and Mrs. America, we are you. It is our job to know who you are, to understand your hopes and dreams, to share with you your hopes for this great Nation, and to care with you your hopes for your children.''

It is our job to appreciate all that this great Nation does to not only build itself into a great Nation but to support a great government that is determined to act on behalf of these great people. And today we do that with this bill.

We start off by saying to all the working men and women of this country, ‘‘We understand it is your money. You let us use your money on your behalf. We hope that we do with your money things that you understand must need be done and should be done, as a reflection of your compassion, your generosity, your sharing and your caring for your neighbors and for the greatness of your Nation.’’

And we have done these things. But now we find ourselves at a time where we can say it is time to let the American people keep more of their money and for us to take less of it.

It is time for Mr. and Mrs. America, as they struggle with the needs of their family which they desire and hope and must put first, that they would have a $500-per-child tax credit so that they can do the things for their children that they know must be done, whether it is buying the diapers; whether it is, in fact, paying for some kindergarten, some preschooling; whether it is that day when they are 13 and the Department of Agriculture says the cost goes up by $1,000; when they take them for their braces. Whatever they decide they must do with their money, they should have $500 more back for themselves and their children.

It is time that we recognize that they truly do want to save for and provide for their own children’s education, and they should be rewarded and encouraged in the effort that they make with the expansion of IRAs. It is time that we understand that their dream is in fact to own their own house, and they should be facilitated in that with this tax law.

More importantly, their dream is the day when their youngsters come home and say, ‘‘Mom, Dad, I got the job, and I am going to have my own house and I will have my own life.’’

And it is time, then, that we realize they need an economy with the vitality, the generosity, the creativity and the energy to give their children a chance to work out, in their own lives, their hopes and dreams in accordance with the training, the education that we have been so generously giving them.

We pass today a tax bill that says to the men and women of this country who work hard, who play by the rules, ‘‘It is your money. You keep more of it, you know better what to do with it,’’ and we honor and respect that.

This is a bill that we must vote ‘‘yes’’ for. We must take pride in our willingness to do that. To vote any other vote than ‘‘yes’’ is to say to the men and women of this country, ‘‘We do not know you, we do not appreciate you, we do not respect you.’’ And nobody given the privilege to represent the good people of this Nation, in good conscience, can vote ‘‘no’’ and make that statement.

CALL OF THE HOUSE

Mr. ARMEY. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members responded to their names:

[Roll No. 349]

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fazio
Filner
Flake
Foley
Forbes
Ford
Fowler
Fox
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Ganske
Gejdenson
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McDermott
McGovern
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Pastor
Paul
Paxon
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Redmond
Regula
Reyes
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryun
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Schumer
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stearns
Stenholm
Stokes
Strickland
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thompson
Thornberry
Thune
Thurman
Tiahrt
Torres
Towns
Traficant
Turner
Upton
Velazquez
Vento
Visclosky
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wise
Wolf
Woolsey
Wynn
Yates
Young (FL)

☐ 1519

The SPEAKER. On this rollcall, 414 Members have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call are dispensed with

CONFERENCE REPORT ON H.R. 2014, TAXPAYER RELIEF ACT OF 1997

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

Mr. Speaker, first let me thank you for interceding in the conference to make certain that a provision was inserted that allows kids who dream about college to get there. The President’s proposal finally was given to him in an approved way by the House of Representatives. While all of us appreciate how important education is at the higher level, some of us would not have been able to get to college if it was not that we had the GI bill to get to high school first, and because of the cooperation of the gentleman from Texas [Mr. ARCHER] and the Speaker and the President, we do have that there.

Let me say this, that being bipartisan in my opinion really does not mean that we have given up the principles of our party. It does mean that it was this President that decided that the American people in the middle-income group was entitled to a tax cut. It means that this President thought the people of the United States of America should keep up their education and their technology in order to be a part of this growing international trade which we have been a leader in. It was this President who thought that as we have cut back in the budget, it was the working people that he wanted to give some type of credit for their children, that the ever increasing cost of living was there and it had not been reflected in the tax cut.

When we leave here, I know that some of you would say, well, the whole idea started with Ronald Reagan and even though we voted against the 1993 budget, we are in this condition today that we are able to give it because the economy is robust and Ronald did it. Let me tell you, from the bottom of my heart, do and say what makes you feel good.

Because when you think about it, some of us truly believe that we are here today because the President had a veto and you want a bill to take home. We are here today because some of us really did not think that we should have a tax cut at all. Some of us were thinking about rebuilding our cities. Some of us were thinking about having an educational system that would be superior to any country in the world. Some of us were really thinking that we should have jobs so that anybody who wants to work could participate in rebuilding America so that we never would be in the position we were in before. But when our President speaks and he calls for bipartisanship, maybe we do not understand it, but the American people understood it, that they are sick and tired of listening to our differences and they wanted economic relief.

And so our leadership decided, on both sides, ''Let's go for our principles and make certain we come out with a bill that everyone can live with.'' It is absolutely amazing to see the number of Democrats that find the final worksheet something that they cannot live with. Thank God most all of them are in districts that are secure. But the most important thing is that what they are trying to say is that if we were in the majority, we would be more than happy than we are today. But we can count, and you are in the majority, and we have to yield to some of your priorities. But because there was principle involved, we did not just say no to you. We went to work and said, ''If we're going to do it, let's do it in the way that people can go home with pride and dignity'' and say that we reached an agreement that we would take care of everybody that we think is deserving.

I do not know your districts as well as I know my own. But really people do not run inside my clubhouse asking, How did you do on indexing? And, for God's sake, did you reduce capital gains? I know that many of you have to deal with it and so you are stuck with your priorities. I know that when it comes to providing for child care, where do you find the middle class? It depends on where you come from. You can go up to $100,000, $200,000 and feel good and we do not mind that at all, except you are not going to do it at the expense of hard-working people that have got kids that pay taxes every day. And there is one thing we are going to do, is that when people get up every morning, take care of their kids, get out there and work, and just because they are in lower income brackets and just because we want to give everybody a hand in meeting their responsibility, we are not going to call them any longer welfare recipients because you are with us.

When we go back home, we are able to say as a Congress that we did not determine employer-employee relationships the way employers would want it. We are not going to be the people that says that a boss can determine that his payroll taxes are too high, that he does not want to pay Social Security, that he or she does not want to pay for health care, that they do not determine who is an independent contractor. We have a law on the books to determine it. But to broaden it so that those people who do not want the burden of being employers and taking care of the responsibility of their employees, no, independent contracts are out, and we all feel better for it because it was a give-and-take on our principles.

☐ 1530

We know, we know that whenever we want someone to write a piece of honest literature, to give us a poll or to give us a graph, that the one who pays for that poll and graph that they will get what they want. I just never thought the Republicans could be so creative with their distribution tables.

My God, when I looked at that, I said ''How could they even make it up?'' But see, if we forget the last 5 years and just deal with their first years, it is amazing.

Capital gains cuts makes money. But stop there because when we get into the next 5 years, all of America are losers.

So what we have to do is this, is to be prepared to say to our constituents the President of the United States has spoken. He has demanded, and the American people have supported him in saying that they want a tax cut, they want to end the fighting and they want bipartisanship.

We have agreed that we have done it. A lot of people swallowed hard on their side; I regret that they were not given an opportunity to express it, but a lot of people on our side had problems, and they were able to express it.

Let us all say it is not a Republican victory, it is not a Democratic victory, but the people of the United States, under the leadership of the President of the United States, with all due respect to President Reagan, are the winners of this battle.

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

Mr. Speaker, today truly is a day for the coming together of the people of this Nation. Yes, some have spoken vibrantly against this bill, and it is their right because the rights of the minority are always accorded in the United States of America. But for those who are in the mainstream majority, we can all revel at what we are about to do for the American people.

I could cite the differences, the things that I wanted in the bill, the things that perphaps got in here that I thought were not good policy, but this is not the day for that. This is a day for coming together.

On June 9, when I announced this tax plan to the public, I said that the American people wanted a Democrat President and a Republican Congress to work together on behalf of our Nation, and today I say to the American people, ''We heard you, we did it, and this bill is a product of that effort.''

It is an excellent agreement. It provides tax relief to the American people throughout their lives from the childhood years to the education years, from the savings years to the retirement years; yes, and even provides tax relief at death. It is a victory for all Americans, who believe that Washington should change its ways so the American people will not have to change theirs. It says Congress will no longer solve problems by raising taxes, that instead we solve problems by restoring hope, power and opportunity to the people who earn and pay those taxes.

Over 40 million children will benefit from the $500 child credit. Families will be able to have more money to spend or to save, as they see fit, at their discretion. It is their money, they made it, and they should be able to keep it.

The education relief tells young people that education is not only the right thing to do, but it is going to be more affordable from here on. The capital gains and the individual retirement account are all incentives to send Americans a message:

''Work hard, save, and you will be able to keep more of the fruits of your labor.''

Just because taxpayers invest money wisely does not mean that Uncle Sam has a hunting license to take it away from them.

And finally the death tax, the cruelest tax of all. No one should have to visit the IRS and the undertaker on the same day. It is wrong for family farms and small businesses to be broken up just because widows and widowers and children cannot afford the money to pay the Federal taxes. The death tax should be repealed, and this is the beginning of that effort.

But, Mr. Speaker, on this bill we do much more. We make the Orphan Drug Tax Credit permanent so that people with rare diseases that do not generate enough volume in the development of drugs will be able to live when they would not otherwise be able to live and be able to see their health improved when it would otherwise deteriorate.

And yes, yes, we cut the alternative minimum tax on businesses so that businesses will be able to invest in job producing equipment and get a deduction for the depreciation that the law allows to them instead of making them pay tax at the end of the year on the depreciation that the law said is taken to buy the equipment to create jobs.

And what does that do? Yes, Charlie, a lot of us have been thinking about how do we create more jobs for Americans. That means greater work opportunity for greater jobs for working Americans in a competitive world marketplace.

And last but not least, more than 1 dozen tax loopholes are closed because no one, no matter who they are, should receive special tax treatment simply because they are politically powerful.

This plan and a balanced budget are what the American people sent us here to do, and we have delivered, and I am proud that this agreement continues a remarkably productive record for the Congress. Yesterday we saved Medicare from bankruptcy. Last year we fixed the failed welfare state so that the poor and the needy will receive a helping hand instead of a handout, a right to be independent instead of dependent. We protected people who were sick by letting them change jobs without losing their health insurance. We modernized telecommunications, creating millions of new jobs for this country, high paying jobs, and we cut the cost of operating this very body, the Congress of the United States, by $200 million a year.

We reduced the deficit from $203 billion in November of 1994 to $50 billion or less today, and now, with this bill this year, it will be eliminated. And with the legislative results of this week that deficit will be completely eliminated.

Many have heard me talk about my grandson who was born last year, the twelfth grandchild, and how I looked down upon him in the incubator in the preemie ward and I thought when he grows up, and he will grow up, thanks to the technology of modern medicine beyond anything anywhere in the world, his pro rata responsibility of interest on the national debt during his lifetime will be $189,000 if he is an average wage earner. That is unconscionable for us to leave to our children and to their grandchildren, and this week we said no, we will not do that.

Mr. Speaker, 6.4 million new jobs have been created since 1994, interest rates have dropped from 8 percent to 6 percent, helping people pay their bills and buy their homes, and the stock market has advanced from 3900 on the Dow Jones to 8200 just since the elections in 1994.

Mark my words. Mark my words. We are just warming up. There are more taxes to be cut, there are more taxes to be cut, and there is more unnecessary wasteful spending to be cut.

But remember above all, balancing the budget and cutting taxes are not merely matters of accounting. They are about our values, they are about our convictions, they are about downsizing the power and the scope of Washington and upsizing the power and the opportunity of people.

That is why we are going to fight for more tax relief next year, because we need to keep the budget in balance while putting big government on a diet. We need to look the IRS in the eye and say ''It's not your money, it is the people's money.'' The politicians and the IRS must stop reaching into the pockets of people and taking what is their money because they need it for themselves, and that, my colleagues, is what today is all about. It is about a new beginning for a limited government, but it is also a return to America that knows no limits.

That is my dream. What a great new beginning it is, what a great unlimited future the people of this country face. We have pulled America together, Democrats, Independents, Republicans, and what a difference a Republican Congress has made.

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

The previous question was ordered.

The SPEAKER. The question is the conference report.

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

Mr. ARCHER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were— yeas 389, nays 43, not voting 3, as follows:

[Roll No. 350]

YEAS—389

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Boswell
Boucher
Boyd
Brady
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cannon
Capps
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cubin
Cunningham
Danner
Davis (FL)
Davis (VA)
Deal
DeGette
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Flake
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green
Greenwood
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hastings (WA)
Hayworth
Hefley
Hefner
Herger
Hill
Hilleary
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kasich
Kelly
Kennelly
Kildee
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Martinez
Mascara
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McGovern
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
Meehan
Meek
Menendez
Metcalf
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Olver
Ortiz
Owens
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Pastor
Paul
Paxon
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Radanovich
Ramstad
Rangel
Redmond
Regula
Reyes
Riggs
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Ryun
Sabo
Salmon
Sanchez
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Schumer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thompson
Thornberry
Thune
Thurman
Tiahrt
Tierney
Torres
Traficant
Turner
Upton
Vento
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wise
Wolf
Woolsey
Wynn
Young (FL)

NAYS—43

Blumenauer
Borski
Campbell
Clay
Conyers
Cummings
Davis (IL)
DeFazio
Delahunt
Dellums
Filner
Frank (MA)
Gephardt
Gutierrez
Hastings (FL)
Hilliard
Jackson (IL)
Kaptur
Kennedy (MA)
Kennedy (RI)
Kilpatrick
Kucinich
Markey
Matsui
McDermott
McNulty
Oberstar

Obey	Serrano	Waters
Payne	Stark	Watt (NC)
Rahall	Stokes	Waxman
Rush	Towns	Yates
Sanders	Velazquez	
Scott	Visclosky	

NOT VOTING—3

Gonzalez	Schiff	Young (AK)

☐ 1602

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

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FAREWELL AND GOOD LUCK TO THE HONORABLE SUSAN MOLINARI

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

Mr. QUINN. Mr. Speaker, after a momentous moment like today, when we have had an opportunity to vote in a bipartisan way for very important legislation for the people across this country, we are reminded that we can only act as a body with the same fairness, conviction, and determination that we exhibit as individual Members of the body. Today probably, as we know, one of our Members will leave the body. Her last day of service here in the House will be today, and it might very well be her last vote that we all just cast with each other.

I would like to ask the Members on both sides of the aisle to join me in saying farewell and good luck to one of ours as she leaves the House of Representatives today. We wish good luck to the gentlewoman from New York, Ms. SUSAN MOLINARI.

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

Mr. QUINN. I yield to the Speaker, the gentleman from Georgia.

Mr. GINGRICH. Mr. Speaker, let me just say on behalf of the entire House that as a historian, there are few people who can claim that they met their husband here, that their dad used to bring them here, and that they left here for even greater fame and even greater achievement.

I just want to say that, SUSAN, I believe for all of us, we will miss you. We will not promise to watch every Saturday, but we will all watch carefully, and we cherish your friendship forever. You are a part of this family.

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

Mr. QUINN. I yield to the gentleman from New York.

Mr. PAXON. Mr. Speaker, this is a very momentous day for us all. We have once again made legislative history. I could not help, in listening to the Speaker's words and the words of my good friend, the gentleman from New York, Mr. JACK QUINN, I could not help but think what a great, important piece of personal history this floor and this body has been in our lives.

SUSAN and I met literally in these Chambers, got to know each other here, through the encouragement of a lot of you, and I think of Ray McGrath, who performed wedding ceremonies before we were even dating. He said, you guys have got to get married. Our friends got us together, they lived with us through that dating period, and up in that corner one day when we got engaged, and then, of course, thanks to the gentleman from Pennsylvania, Mr. JIM GREENWOOD, we found a priest in a church in Pennsylvania that would marry us on neutral ground.

Then, of course, the Members have lived with us through our married life, and are now helping us raise our daughter. We need help all the time. This is the kind of family that we can never replace. Members have witnessed our lives together and helped us in so many ways on this floor. My colleagues are losing a colleague today, and I am losing my legislative partner. Every single day we come to this floor and we share our lives. We are going to miss that. We think we are going to have a little more interesting dinner conversation, having two different jobs to bring to the dinner table.

But while I am losing my pal on a day-to-day basis on the floor, I want to say this to you, SUSAN; every day that I come to this floor I am going to think of you, every moment, you and our beautiful daughter. While you are out in that other job, I wish you the best. I really thought I would never get to the point in my life where I would say this, that I love a Member of the press. I love you, SUSAN.

Ms. ROS-LEHTINEN. Mr. Speaker, will the gentleman yield?

Mr. QUINN. I yield to the gentlewoman from Florida.

Ms. ROS-LEHTINEN. Thank you, you hunk.

Mr. Speaker, Emerson said: What is civilization?

I answer: The power of a good woman.

I agree with this American philosopher. That is why the departure of our friend, the gentlewoman from New York, Ms. SUE MOLINARI from Congress saddens us all.

SUE always brightened up any committee room when she walked in because she was prepared, because she was witty, and ready for battle for her constituents and for our country. She never took these fierce battles personally if you disagreed with her, and she built strong bonds of friendship with many of us here in Congress.

All of us, especially the women Members of Congress, felt as if we were part of SUE's life as we rejoiced in her union with BILL and the arrival of Susan Ruby. SUSAN will excel at CBS in the same way that she has climbed to the leadership ranks in the House, through her intelligence, through her hard work, perseverance, and a terrific personality. The civilization of this House will be diminished by SUE'S departure, but we know it is the right decision for SUE, for BILL, and most especially for Susan Ruby.

We wish you the best, Mama SUE.

A TRIBUTE TO THE HONORABLE SUSAN MOLINARI

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

Mrs. LOWEY. Mr. Speaker, I am delighted to join with my colleagues; and not really delighted, I would say to the gentlewoman from New York, Ms. SUSAN MOLINARI, but we want to wish the gentlewoman lots of good luck and success. I am not sure who I am going to miss more, SUSAN MOLINARI or Susan Ruby, because she clearly cheers up all our days. From one mother to another mother, I can tell you we are going to miss you both.

SUSAN and I have been fighting together on so many issues for the years I have been here, whether it is fighting to keep those planes in New Jersey away from New York, and I am going to have to call you, SUSAN, for some reinforcement. We just keep sending these planes back and forth, but we are going to make sure that they are not flying over Staten Island while you are away. We are going to make sure we continue to fight to make sure that our transportation in New York serves all the people of all of our districts.

The gentlewoman has been right there on the front line. Whether it is fighting together on Ellis Island, one thing after another, SUSAN is there to fight for New York. I know we are going to work very hard, SUSAN, to make sure that the battles continue in support of all the issues that we care about.

So we wish you good luck, with lots of love and admiration and support. You have always stood up for the right things, and I have been honored to be there with you.

BEST OF LUCK AND GODSPEED TO THE HONORABLE SUSAN MOLINARI

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

Mr. SCHUMER. Mr. Speaker, I just want to add my wishes of good luck to SUSAN. I know she does not need them. She is one of the most talented people that I have come up against. We debated each other every week on channel 2 in New York, and let me tell the Members, Mr. Speaker, she is one tough adversary, but underneath it all she is a very decent and honorable person.

I know this has been her wish for many, many years, to go where she is going to; and with a wonderful family, a great child, and a great new career ahead of her, I think I speak for all of us when I say we wish her the best of luck and Godspeed.

FAREWELL TO A TOUGH DEBATER

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

Mr. RANGEL. Mr. Speaker, let me say on behalf of the New York congressional delegation that we probably have less problems after we leave this floor than any other delegation, because we have learned to work with each other, to respect each other, and to understand each other.

The gentlewoman from New York, Ms. SUE MOLINARI, is one of the champions on the Republican side, and yet we do not see it in the elevators, we do not see it when we have our meetings, we do not see it when we get back to New York, we are just people fighting for our great city and our great State.

Unlike the gentleman from New York [Mr. SCHUMER], she was one of the people that I least liked debating with, not because she was always that tough, but she was always smiling, always charming. It is difficult to fire your best shot when somebody is looking at you lovingly.

So I will not miss her on the television debates, and I am so glad that she will be moderating, rather than explaining those rough Republican views in such a soft, tender, loving way.

MOON OVER KOSOVO

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

Mr. ENGEL. Mr. Speaker, I want to add my voice to say good-bye, not really good-bye, but of course good-bye from Washington, to someone that I have worked very, very closely with. The gentlewoman from New York, Ms. SUSAN MOLINARI and I cochaired the Albanian Issues Caucus. We worked very closely together on a number of things. The gentleman from New York, Mr. BILL PAXON and I came to Congress together after serving in the New York State Assembly together. In fact, I served in the Assembly with Guy Molinari as well.

We know Susan is a very, very special person. When we went to Kosovo together that first time, it was the gentlemen from New York, Mr. BILL PAXON, and Mr. PETER KING, the gentlewoman from New York, Ms. SUSAN MOLINARI, and myself.

When SUE and BILL said they were getting married, I wondered if it was the Moon over Kosovo that brought them together, or the time we were in that hotel and there was no heat or hot water, we figured that might have had something to do with bringing the two of them together.

☐ 1615

We are going to miss you, but we know we are still going to see you. I want to remind you, SUSAN and BILL, that when you announced that you were getting married, I said the Bible says be fruitful and multiply and that I wished you a number of children.

I just want to remind everybody that I said my wish for BILL and SUSAN was that they would have many, many children and that their children would all grow up to be good Democrats.

GOODBYE TO THE HONORABLE SUSAN MOLINARI

(Ms. PRYCE of Ohio asked and was given permission to address the House for 1 minute.)

Mr. PRYCE of Ohio. Mr. Speaker, at the risk of losing it on C–SPAN, at the risk of having Members miss their planes, I would just like to close this by saying how much this body will miss you, SUSAN, and how much I will miss you, too. Your wit and your charm and your grace and your grit and everything that I tried to learn from you, I hope we can sustain even in your absence.

You were the first Member that I met outside of Ohio. You taught me so much. I hope that you will still be around to keep us going. So do not be a stranger. Godspeed, SUSAN MOLINARI.

CLOSING REMARKS OF THE HONORABLE SUSAN MOLINARI

(Ms. MOLINARI asked and was given permission to address the House for 1 minute.)

Ms. MOLINARI. Mr. Speaker, I will be very brief, at the risk of losing it.

To all my colleagues, it is a little difficult to put into words the feeling that I felt growing up on this floor. It has been 17 years since my dad took his oath of office and worked hard during that time to gain and sustain the trust of the men and women of the 14th and now the 13th Congressional District.

In my family, as in many of your families, this is a place of honor. It is a place where we are reminded every day that people trust us to make some of the most important decisions in their lives. It is an honor to walk in and out those doors every day and every night.

I do not leave here easily, because I believe very much in our cause. I believe very much in this Institution. I believe very much in the men and women who have gone before us on both sides of the aisle. I cherish the model that my dad has been for me in public service. As has been said, I met my husband, the love of my life, my best friend in this Institution, because when the cameras are off, oftentimes, between Members, between the aisle, good feelings and understanding and friendships do grow.

And so to all my colleagues let me just say, to my girlfriends in particular, I love you all. I have developed some of the best friends I have ever made in my life and will continue to see them as friends for the rest of my life.

To all of you and to those of you in the press gallery, let me admit it and let me get it out there, I will have a bias in my reporting career. But it is this, when I report, it will be with the full knowledge and understanding in my heart and soul that the men and women on both sides of the aisle that serve in this Institution are some of the most honorable Members that have ever served this Nation. I thank them for that.

PROVIDING FOR ADJOURNMENT OF THE HOUSE FROM AUGUST 1, OR AUGUST 2, 1997, TO SEPTEMBER 3, 1997, AND ADJOURNMENT OR RECESS OF THE SENATE FROM JULY 31, AUGUST 1, OR AUGUST 2, 1997, TO SEPTEMBER 2, 1997

Mr. GOSS. Mr. Speaker, I offer a privileged concurrent resolution (H. Con. Res. 136) and I ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 136

Resolved by the House of Representatives (the Senate concurring), That, in consonance with section 132(a) of the Legislative Reorganization Act of 1946, when the House adjourns on the legislative day of Friday, August 1, 1997 or Saturday, August 2, 1997, pursuant to a motion made by the majority leader or his designee, it stand adjourned until noon on Wednesday, September 3, 1997, or until noon on the second day after members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first; and that when the Senate recesses or adjourns at the close of business on Thursday, July 31, 1997, Friday, August 1, 1997, or Saturday, August 2, 1997, pursuant to a motion made by the majority leader or his designee in accordance with this concurrent resolution, it stand recessed or adjourned until noon on Tuesday, September 2, 1997, or until such time on that day as may be specified by the majority leader or his designee in the motion to recess or adjourn, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first.

SEC. 2. The Speaker of the House and the majority leader of the Senate, acting jointly after consultation with the minority leader of the House and the minority leader of the Senate, shall notify the Members of the House and Senate, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

The SPEAKER pro tempore (Mr. LAHOOD). Pursuant to section 132 of the Legislative Reorganization Act of 1946, as amended, the yeas and nays are ordered.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 403, nays 16, not voting 15, as follows:

[Roll No. 351]

YEAS—403

Abercrombie	Baesler	Barrett (WI)
Aderholt	Baker	Bartlett
Allen	Baldacci	Barton
Andrews	Ballenger	Bass
Archer	Barcia	Bateman
Armey	Barr	Becerra
Bachus	Barrett (NE)	Bereuter

Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cummings
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeGette
Delahunt
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Filner
Flake
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Greenwood
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hayworth
Hefley
Hefner
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lowey
Lucas
Luther
Maloney (NY)
Manton
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
McNulty
Meek
Menendez
Metcalf
Mica
Millender-McDonald
Miller (FL)
Mink
Moakley
Molinari
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oberstar
Ortiz
Owens
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Pastor
Paul
Paxon
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Redmond
Regula
Reyes
Riggs
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryun
Sabo
Salmon
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaefer, Dan
Schumer
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Stenholm
Stokes
Strickland
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (NC)
Thomas
Thompson
Thornberry
Thune
Thurman
Tiahrt
Tierney
Torres
Towns
Traficant
Turner
Upton
Velazquez
Vento
Visclosky
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wise
Wolf
Woolsey
Wynn
Yates
Young (FL)

NAYS—16

Cunningham
DeFazio
Goode
Green
Hastings (FL)
Hooley
Jackson-Lee (TX)
Kucinich
Lofgren
Minge
Obey
Olver
Sanchez
Schaffer, Bob
Sherman
Taylor (MS)

NOT VOTING—15

Ackerman
Bentsen
Cubin
Edwards
Gonzalez
Gutknecht
Hastings (WA)
Maloney (CT)
McDade
Meehan
Miller (CA)
Sanders
Schiff
Smith, Adam
Young (AK)

☐ 1639

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

So the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REMOVAL OF NAMES OF MEMBERS AS COSPONSORS OF H.R. 303

Mr. BILIRAKIS. Mr. Speaker, I ask unanimous consent to remove the names of the gentleman from Florida [Mr. CANADY], the gentleman from Massachusetts [Mr. OLVER] and the gentleman from Oklahoma [Mr. WATTS] as cosponsors of my bill, H.R. 303.

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

There was no objection.

WAIVING ENROLLMENT REQUIREMENTS WITH RESPECT TO TWO BILLS OF THE 105TH CONGRESS

Mr. DIAZ-BALART. Mr. Speaker, I offer a joint resolution (H.J. Res. 90) waiving certain enrollment requirements with respect to two specified bills of the 105th Congress, and I ask unanimous consent for its immediate consideration.

The Clerk read the title of the joint resolution.

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

Ms. SLAUGHTER. Mr. Speaker, reserving the right to object, I would like to yield to the manager for a discussion.

Mr. DIAZ-BALART. Mr. Speaker, the rule is self-explanatory. For Members who may not be aware, sections 106 and 107 of title 1 of the United States Code require that enrolled bills, measures that have been passed by the House and the Senate in the same form and require the President's signature to become law, that they be sent to the President on parchment.

So the joint resolution that I am seeking unanimous consent for, Mr. Speaker, waives that requirement.

Ms. SLAUGHTER. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the joint resolution as follows:

H.J. RES. 90

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the provisions of sections 106 and 107 of title 1, United States Code, are waived with respect to the printing (on parchment or otherwise) of the enrollment of H.R. 2014 and of H.R. 2015 of the One Hundred Fifth Congress. The enrollment of each of those bills shall be in such form as the Committee on House Oversight of the House of Representatives certifies to be a true enrollment.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. DIAZ-BALART. Mr. Speaker, I ask unanimous consent to lay House Resolution 203 on the table.

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

There was no objection.

REQUEST FOR ORDER OF CONSIDERATION OF H.R. 2264, DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1998

Mr. SOLOMON. Mr. Speaker, I ask unanimous consent that consideration of the bill (H.R. 2264) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1998, and for other purposes, may proceed according to the order that I have placed at the desk.

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

The Clerk read as follows:

Mr. Solomon asks unanimous consent that consideration of H.R. 2264 proceed according to the following order:

(1) The Speaker may at any time, as though pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 2264)

making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1998, and for other purposes.

(2) The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. After general debate the bill shall be considered for amendment under the five-minute rule.

(3) Points of order against provisions in the bill for failure to comply with clause 2 or 6 of rule XXI are waived except as follows: beginning with '': Provided'' on page 41, line 26, through ''$2,245,000,000'' on page 42, line 3. Where points of order are waived against part of a paragraph, points of order against a provision in another part of such paragraph may be made only against such provision and not against the entire paragraph.

(4) The amendments printed in House Report 105–214 may be offered only by a Member designated in the report and only at the appropriate point in the reading of the bill, shall be considered as read, shall not be subject to amendment except pro forma amendments offered for the purpose of debate, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against the amendments printed in the report are waived.

(5) During consideration of the bill for amendment, the Chairman of the Committee of the Whole may accord priority in recognition on the basis of whether the Member offering an amendment has caused it to be printed in the portion of the Congressional Record designated for that purpose in clause 6 of rule XXIII. Amendments so printed shall be considered as read.

(6) The Chairman of the Committee of the Whole may: (1) postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment; and (2) reduce to five minutes the minimum time for electronic voting on any postponed question that follows another electronic vote without intervening business, provided that the minimum time for electronic voting on the first in any series of questions shall be 15 minutes.

(7) During consideration of the bill, points of order against amendments for failure to comply with clause 2(e) of rule XXI are waived.

(8) At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. The bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

(9) Notwithstanding any other provision of this order, it shall be in order to consider in lieu of amendments numbered 1 and 2 in House Report 105–214 the amendment I have placed at the desk. That amendment shall otherwise be considered as though printed as the amendment numbered 1 in House Report 105–214.

(10) House Resolution 199 is laid on the table.

☐ 1645

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

The Clerk read as follows:

Page 94, strike lines 16 through 21 and insert the following (and redesignate the succeeding sections accordingly):

SEC. 508. (a) None of the funds appropriated under this Act shall be expended for any abortion.

(b) None of the funds appropriated under this Act shall be expended for health benefits coverage that includes coverage of abortion.

(c) The term ''health benefits coverage'' means the package of services covered by a managed care provider or organization pursuant to a contract or other arrangement

SEC. 509. (a) The limitations established in the preceding section shall not apply to an abortion—

(1) if the pregnancy is the result of an act of rape or incest; or

(2) in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed.

(b) Nothing in the preceding section shall be construed as prohibiting the expenditure by a State locality, entity, or private person of State, local, or private funds (other than a State's or locality's contribution of Medicaid matching funds) for abortion services or coverage of abortion by contract or other arrangement.

(c) Nothing in the preceding section shall be construed as restricting the ability of any managed care provider or organization from offering abortion coverage or the ability of a state or locality to contract separately with such a provider for such coverage with state funds (other that a State's or locality's contribution of Medicaid matching funds).

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

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

Mr. OBEY. Mr. Speaker, reserving the right to object, I think it would be helpful if the resolution was read.

Mr. SOLOMON. Mr. Speaker, I withdraw the unanimous consent that the amendment be considered as read and leave the original unanimous consent standing.

The SPEAKER pro tempore. The Clerk will re-report paragraph 8.

The Clerk read as follows:

(8) At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

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

Mr. MCINTOSH. Mr. Speaker, reserving the right to object, if I may ask of the chairman, does this rule provide for a chairman's amendment that could be brought to the floor when the bill comes for debate?

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

Mr. MCINTOSH. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Speaker, no, it does not.

This rule that we would adopt by unanimous consent would bring to the floor under regular rules of order, regular rules of the House so that any amendment, any cutting amendment, any offsetting amendment, or any limitation amendment ordinarily allowed under normal rules of the House should the bill have come directly to the floor instead of through the Committee on Rules, those amendments would be made in order.

Mr. MCINTOSH. Mr. Speaker, I object to this unanimous consent.

The SPEAKER pro tempore. Objection is heard.

HONORING THE LIFE OF BETTY SHABAZZ

Mr. RANGEL. Mr. Speaker, I ask unanimous consent that the Committee on Government Reform and Oversight be discharged from further consideration of the resolution (H. Res. 183) honoring the life of Betty Shabazz, and ask for its immediate consideration in the House.

The Clerk read the title of the resolution.

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

Mr. CUNNINGHAM. Mr. Speaker, reserving the right to object, I yield to the gentleman from New York [Mr. RANGEL].

Mr. RANGEL. Mr. Speaker, I thank the gentleman from California so much for giving me the opportunity to explain that seldom in the United States do we get a chance to pay tribute to the life of those people who live an ordinary life and yet have done extraordinary things.

When the late Betty Shabazz died, having known her husband and her for so many years, I almost thought that she belonged to Harlem and she belonged to African-Americans, and I was so pleasantly surprised when she passed away, as a result of a sad and cruel act of her grandson, that so many Republicans and Democrats came over and offered sympathy to me because we had lost in this country a great American.

And so, in August, there will be communities all over the country attempting to say, thank you, Betty Shabazz, for the life that you led, that you lost your husband, he was assassinated, but instead of just weeping and crying, which she did do, was pick your life up, go to school, educate 6 children, and become a role model for Americans, whether they are white or black or Jewish or Christian.

And so, as we leave and America pays tribute to this great woman, I would like to have the Congress join in in just honoring a great life who serves as a model for all Americans and people throughout the world.

Mrs. LOWEY. Mr. Speaker, will the gentleman yield?

Mr. CUNNINGHAM. Mr. Speaker, further reserving the right to object, I yield to the gentlewoman from New York.

Mrs. LOWEY. Mr. Speaker, I strongly support this resolution and my good friend, the gentleman from New York [Mr. RANGEL] in honor of an outstanding constituent from Yonkers, New York, Betty Shabazz.

We have worked on so many issues, fighting for families, fighting for women, fighting for children. Just recently, I served on a panel with Betty Shabazz, could not have been more than probably a couple months ago. So I thank my good friend from New York, [Mr. RANGEL] for introducing this resolution which I support.

Mr. CUNNINGHAM. Further reserving the right to object, Mr. Speaker, there were some other reservations for other bills that were made under all of these unanimous consent requests. And although I support the initiative of the gentleman from New York [Mr. RANGEL] and his bill, I would have to object until these reservations can be worked out by the leadership.

We were told these UC's were worked out and, at the last moment someone from his side of the aisle was going to object to one of these UC's. If that is the case, I will object until that can be worked out.

Mr. RANGEL. If the gentleman will yield further, I understand the concern of the gentleman. But I would just like to share with him that I knew about this problem before I dealt with the Republican leadership; and because so many Members of Congress felt that strongly about it, what we did was went to the leadership and asked our side not to go through these extraordinary parliamentary procedures that they could have gone through in order to show their deep concern about it.

When you think about it, yes, there has to be ways that our concerns are met and we have to be able to use the parliamentary procedure to do it. But I ask my friend to really consider what we are doing when communities throughout this country are going to commemorate a life anyway, with or without this resolution.

It would seem to me that, even when we have to use the parliamentary cause to emphasize how deep we feel about an issue, that we are sensitive to the communities that are affected, we are sensitive to the daughters that we pay tribute to, and that we just do not use the parliamentary procedures when we have just lost a great American.

I would ask the gentleman to reconsider using the life of Betty Shabazz and the memories that are held by so many Americans and the memories held by her children and family as they go through life.

Mr. CUNNINGHAM. Further reserving the right to object, I would say to my friend, and I would reiterate that I fully support the words that he just spoke and would associate, but unfortunately, we have the same kind of concerns on another UC request that affects the lives of many of the people on the West Coast, thousands of people, as a matter of fact. And it is not the loss of someone, but this is the loss of jobs, the loss of livelihood.

There was an agreement made under these UC's, and evidently the agreement has been broken. I would still be willing to work this out in a matter of a few minutes. If this is not the case and this is worked out, if the gentleman from New York [Mr. RANGEL] would bring up the same UC a few moments later and we can work this out among us, I think I would support the gentleman.

Mr. RANGEL. I would just hope that, with all the good work that my colleague has done for this country throughout his life, that he would not want to be recorded in the CONGRESSIONAL RECORD as having been the person that, for whatever reason, has caused this Congress not to commemorate the life of this great American.

Mr. CUNNINGHAM. I would say to my friend that I will support the gentleman in commemorating it in a few minutes if this can be worked out. After the agreement is made, I will be very happy and I will not object. But until that is made, the lives and livelihood of many of my constituents are at stake.

And I would say to the same gentleman, someone on his side of the aisle was just about ready to make that decision, which would affect adversely and in which a vote in the Senate was 99-to-0, and because there is an objection to the UC, would affect negatively many of the lives. And until that point, I am going to be forced to object.

The SPEAKER pro tempore. Objection is heard.

PROVIDING FOR ORDER OF CONSIDERATION OF H.R. 2264, DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1998

Mr. SOLOMON. Mr. Speaker, I again ask unanimous consent that the consideration of the bill (H.R. 2264) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1998, and for other purposes, may proceed according to the order that I have placed at the desk and that the explanation be considered as read, but that the Clerk be directed to read the amendment.

☐ 1700

(For text of the unanimous-consent request, see prior proceedings of the House of today.)

The SPEAKER pro tempore (Mr. LAHOOD). The Clerk will report the amendment.

The Clerk read as follows:

The amendment to be offered by Representative HYDE of Illinois or a designee:

Page 94, strike lines 16 through 21 and insert the following (and redesignate the succeeding sections accordingly):

SEC. 508(a) None of the funds appropriated under this Act shall be expended for any abortion.

(b) None of the funds appropriated under this Act shall be expended for health benefits coverage that includes coverage of abortion.

(c) The term ''health benefits coverage'' means the package of services covered by a managed care provider or organization pursuant to a contract or other arrangement.

SEC. 509(a) The limitations established in the preceding section shall not apply to an abortion—

(1) if the pregnancy is the result of an act of rape or incest; or

(2) in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed.

(b) Nothing in the preceding section shall be construed as prohibiting the expenditure by a State, locality, entity, or private person of State, local, or private funds (other than a State's or locality's contribution of Medicaid matching funds) for abortion services or coverage of abortion by contract or other arrangement.

(c) Nothing in the preceding section shall be construed as restricting the ability of any managed care provider or organization from offering abortion coverage or the ability of a state or locality to contract separately with such a provider for such coverage with state funds (other that a State's or locality's contribution of Medicaid matching funds).

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

There was no objection.

ELECTION OF CHIEF ADMINISTRATIVE OFFICER

Mr. BOEHNER. Mr. Speaker, I offer a privileged resolution (H. Res. 207) and ask for its immediate consideration.

The SPEAKER pro tempore. The resolution constitutes a question of priviledge.

The Clerk will report the resolution.

The Clerk read as follows:

H. RES. 207

Resolved, That James M. Eagen, III, of the Commonwealth of Pennsylvania, be, and he is hereby, chosen Chief Administrative Officer of the House of Representatives.

The SPEAKER pro tempore. The gentleman from Ohio [Mr. BOEHNER] and the gentleman from Maryland [Mr. HOYER] each will control 30 minutes.

The Chair recognizes the gentleman from Ohio [Mr. BOEHNER].

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

I have known and worked with Jay since I came to Congress in 1990 and have grown to admire and respect his professionalism and his work product. I am honored today to be able to stand on the floor and introduce this resolution to make him the chief administrative officer of the House of Representatives.

Jay has worked on the Hill since 1982. He started out in Congressman Steve Gunderson's office and moved over to work for the gentleman from Pennsylvania [Mr. GOODLING] in 1985. He then went to work for the Committee on Education and the Workforce in 1991 as the Republican chief of staff and is currently in that same position.

I know Jay to be an excellent leader, a meticulous organizer, a fabulous administrator and a well-respected manager. I also know Jay on a personal level and know of his deep commitment to his work and to this institution. He will be a wonderful chief administrative officer to this House and I cannot think of anyone else I would rather recommend for this job than Jay Egan.

Mr. HOYER. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. FAZIO], the former ranking member of the Committee on House Oversight and the chairman of the Democratic Caucus.

Mr. FAZIO of California. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I just want to indicate that I was privileged to serve on a small panel headed by the gentleman from California [Mr. THOMAS] to select the individual who would be the chief administrative officer. Not having known Jay earlier, I came to conclude that he was in the finest tradition of the development of our staff, people who stay with this process and learn it and broaden their skills, developing administrative strength as well as substantive knowledge. I want to say to my friend, the chairman of the Republican Conference, that people like the gentleman from Michigan [Mr. KILDEE], our colleague here, and other members of the Committee on Education and the Workforce felt very good about this appointment on the premise that he was fair-minded and objective and treated the minority with the kind of respect that it is due. As a consequence, I am pleased to endorse this selection and indicate that I think it is in keeping with what I hope will be a trend toward the management of the institution in a manner which will be most acceptable to all Members. Hopefully quite a contrast with the experience that we had during the first 2 years of the new majority's tenure here.

I want to thank the gentleman from California [Mr. THOMAS] for the process he put in place and indicate that I look forward to working with Mr. Egan, as I am sure others do, in a way that will hopefully make this institution proud of the way in which it is managed.

Mr. BOEHNER. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. THOMAS], chairman of the Committee on House Oversight.

Mr. THOMAS. Mr. Speaker, I thank the gentleman for yielding this time. I want to thank my colleague from California for his comments. Obviously Jay Egan was the choice of a professional search team, an extensive review by staff and then a review by a panel of Members consisting of two Democrats and two Republicans: the gentleman from California [Mr. FAZIO], the gentleman from South Carolina [Mr. CLYBURN], the gentleman from Ohio [Mr. NEY], and myself.

I believe that we obviously got the pick of the lot, and the professional organization that did the searching brought us a number of people who had been in public administration positions and, as a matter of fact, in the private sector across a broad region of the United States. It is not in my opinion accidental that we have found what we believe to be the highest caliber person laboring here in the House. It was important, I think, to look outside to give a comfort level for us in making the decision that we made. It was an open, fair competition. And Jay won. He won by unanimous vote of the panel. That tells you a lot about the qualities that he is going to bring to this job.

But I also want to say that I enjoy very much the working relationship with the gentleman from California. This could have been a process which could have deteriorated fairly rapidly if in attempting to hold confidences, discussions that were had in private were leaked to the press or announced prematurely. I do want to say, the gentleman from California over the two Congresses that I have enjoyed working with him in a distinctively reversed role from previous Congresses, has been absolutely honorable in all of the commitments that he has made as we made some very, very difficult decisions.

This was not a difficult decision. The process whereby we arrived at the requirement to make this decision was at times very difficult. But the decision to pick Jay Egan as the chief administrative officer of the House was a pleasure.

Mr. BOEHNER. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. GOODLING], the chairman of the Committee on Education and the Workforce and the current employer of our soon-to-be chief administrative officer.

Mr. GOODLING. I thank the gentleman for yielding me this time.

Mr. Speaker, today I am losing my left arm, I am losing my right arm, but I can afford to lose both for the benefit of an institution I love, the House of Representatives. Where I am totally unorganized, your new administrator is totally organized. Where I do not pay much attention to deadline, your new administrator pays specific attention to deadline. Where I do not think much about planning for the future, your administrator constantly thinks about the next move. So I in losing after 14 years someone who has served our committee very well, has served my constituents very well, and I can guarantee you he will serve this institution very, very well.

Mr. HOYER. Mr. Speaker, I yield myself such time as I may consume. I do not rise to oppose this nomination. I do want to make, however, some observations.

This process has been ongoing for a long period of time. Frankly, the Democratic leadership was severely criticized in the 102d and the 103d Congress for the administration of the House of Representatives. In fact, in Congresses before that.

The fact of the matter is in the 102d Congress, there was a discussion about reform. The present Secretary of Agriculture made a very strong recommendation that we adopt a position of administrative officer for the House of Representatives. He made that recommendation to Speaker Foley. In bipartisan meetings between the Republican leadership and the Democratic leadership, there was a discussion of how that would be formatted. Sequent those discussions in the next Congress, we did establish in fact a position of administrative officer for the ministerial duties, that is, the nonpolicymaking, nonlegislative duties of the House. That was the appropriate and correct step in my opinion to take.

At the urging of the Republican minority in the 103rd Congress, and in the 102d, the selection of that administrative officer was established in a bipartisan fashion, so much so that the minority leader in effect had a veto over the selection of the administrative officer. The committee selecting that administrative officer was made up of the Speaker, the majority leader and the minority leader and it had to be a unanimous choice, thereby giving the minority leader essentially a veto. That was done to assure that we would have a bipartisan agreement on an administrator for the business of this House.

All of us love this House and want it to be respected by the American public. I think all of us want to have this House run in as effective, businesslike fashion as we can accomplish. That benefits everybody in this House and it benefits all of America. Our differences should not be on how we efficiently operate the House, it should be on the policies that we adopt, that we contend for both in elections and on this floor.

In the 104th Congress, that policy that was adopted was changed and the administrative officer was created as a partisan officer. I frankly did not necessarily disagree with that, as I said in committee, as the gentleman from Ohio will recall. Because effectively what the new majority said was that the Speaker was responsible for the administration of the House. I think that is basically correct. Frankly, on our side I had argued that proposition in the 102d and 103d Congress but I had lost and we had created the bipartisan mechanism for selecting the administrator.

In the 104th Congress, though, the change resulted in a committee being established with the gentleman from Iowa [Mr. NUSSLE], I believe, as the transition officer, I suppose. And an administrative officer was selected, in my opinion not in a bipartisan fashion, not with input from the minority, and in my opinion frankly without much discussion perhaps in the majority party as well. We have a report pending on that, on the performance of the administrative officer in the last Congress and for the first few months of this Congress. We will be discussing that at some time in the future.

The selection of this administrative officer, I think, was done in a proper fashion to the extent that it was done in a bipartisan fashion with input from the chairman of the Democratic Caucus, who has been at the administration of the House for many, many years because he has been in the leadership for over a decade. I have had the pleasure of serving with him in the leadership for over a decade.

□ 1715

I do not know Mr. Eagen. The gentleman from California [Mr. FAZIO] has indicated that he is a man of ability and integrity, and the gentleman from Michigan [Mr. KILDEE], for whom I have great respect indicates a man of fairness. That is the kind of administrative officer this House needs.

So, as I said, I have no intention of opposing the selection of this administrative officer. Suffice it to say, however, that the gentleman from California [Mr. THOMAS] has indicated that there was a national search for an officer. I think that was appropriate because what this House needs in a bipartisan and effectively nonpartisan way, to assure ourselves and the American public that the business of the House, the paying of our bills, the managing of our information system, all of that which has nothing to do with the formulation of policy but everything to do with the effective management of the people's House is being done in a proper fashion. I would hope and expect that that will be the result from this appointment.

With those few words, Mr. Speaker, unless there is anybody who wants additional time, I yield back the balance of my time.

Mr. BOEHNER. Mr. Speaker, I yield such time as he may consume once again to my colleague from California, Mr. THOMAS, the chairman of the Committee on House Oversight.

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

I do not wish to revisit the distant past, a time when there were no independent audits, and the first ever chief financial officer on the first decision he made was not backed up and, therefore, resigned because he could not be independent. I wish to revisit the recent past, the past between the resignation of the first CAO and today because frankly someone who has not yet been recognized has performed yeoman service for the House. Jeff Trandahl, who has been the acting CAO for a period longer than he had anticipated, I believe now has a high comfort level as he leaves this temporary office and moves back to the Clerk's office where he is the Clerk's right arm. I just think it is appropriate, as Jay Eagen comes in as the new CAO, for the House to recognize the extraordinary service of someone who was asked to help and who has never said no, and for, as I said, a longer period than anticipated has helped and helped willingly in making sure that the transition to the new CAO is as smooth as it has been, and I want the House to recognize the contribution made by Jeff Trandahl.

Mr. FAZIO of California. Mr. Speaker, will the gentleman yield?

Mr. BOEHNER. I yield such time as he may consume to the gentleman from California [Mr. FAZIO], my colleague and the chairman of the Democrat Caucus and former ranking member on the Committee on House Oversight.

Mr. FAZIO of California. Mr. Speaker, I also wanted to indicate to Jeff Trandahl the support that he has generated on the minority side. Because of the way he has conducted himself, he has been a tribute not only to his employer, the Clerk, Robin Carle, but also to his former employer, one of the more delightful Members to ever have served in the House, the Senator from Kansas, Mr. ROBERTS. He set the right tone in the job that he has performed over the last 6 months and I think has shown the way in which the job can be performed to those who succeed in it, and I want to congratulate him on the performance and indicate that those on this side of the aisle wish him well in his future, short term and long term.

Mr. BOEHNER. Reclaiming my time, Mr. Speaker, let me close this discussion by also congratulating the Acting CAO, Jeff Trandahl. Jeff is a valued employee of the House, and he worked for PAT ROBERTS for many years, and he worked for the Committee on Agriculture and then worked in the Clerk's office over the last 2 years before taking over this temporary assignment. And I think the best tribute to Jeff over the last 6 months, 7 months or so, is that we have not heard one word about the Acting CAO for this period of time that he has been there, and he has done, I think, a marvelous job running the organization, and with that I look forward to the dawning of our new CAO, Jay Eagen.

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.

INTERNATIONAL DOLPHIN CONSERVATION PROGRAM ACT

Mr. SAXTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 408) to amend the Marine Mammal Protection Act of 1972 to support the International Dolphin Conservation Program in the eastern tropical Pacific Ocean, and for other purposes, with a Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Senate amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE; REFERENCES.

(a) SHORT TITLE.—This Act may be cited as the ''International Dolphin Conservation Program Act''.

(b) REFERENCES TO MARINE MAMMAL PROTECTION ACT.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1361 et seq.).

SEC. 2. PURPOSES AND FINDINGS.

(a) PURPOSES.—The purposes of this Act are—

(1) to give effect to the Declaration of Panama, signed October 4, 1995, by the Governments of Belize, Colombia, Costa Rica, Ecuador, France, Honduras, Mexico, Panama, Spain, the United States of America, Vanuatu, and Venezuela, including the establishment of the International Dolphin Conservation Program, relating to the protection of dolphins and other species, and the conservation and management of tuna in the eastern tropical Pacific Ocean;

(2) to recognize that nations fishing for tuna in the eastern tropical Pacific Ocean have achieved significant reductions in dolphin mortality associated with that fishery; and

(3) to eliminate the ban on imports of tuna from those nations that are in compliance with the International Dolphin Conservation Program.

(b) FINDINGS.—The Congress finds that—

(1) the nations that fish for tuna in the eastern tropical Pacific Ocean have achieved significant reductions in dolphin mortality associated with the purse seine fishery from hundreds of thousands annually to fewer than 5,000 annually;

(2) the provisions of the Marine Mammal Protection Act of 1972 that impose a ban on imports from nations that fish for tuna in the eastern tropical Pacific Ocean have served as an incentive to reduce dolphin mortalities;

(3) tuna canners and processors of the United States have led the canning and processing industry in promoting a dolphin-safe tuna market; and

(4) 12 signatory nations to the Declaration of Panama, including the United States, agreed under that Declaration to require that the total annual dolphin mortality in the purse seine fishery for yellowfin tuna in the eastern tropical Pacific Ocean not exceed 5,000 animals, with the objective of progressively reducing dolphin mortality to a level approaching zero through the setting of annual limits and with the goal of eliminating dolphin mortality.

SEC. 3. DEFINITIONS.

Section 3 (16 U.S.C. 1362) is amended by adding at the end the following new paragraphs:

''(28) The term 'International Dolphin Conservation Program' means the international program established by the agreement signed in LaJolla, California, in June, 1992, as formalized, modified, and enhanced in accordance with the Declaration of Panama.

''(29) The term 'Declaration of Panama' means the declaration signed in Panama City, Republic of Panama, on October 4, 1995.''.

SEC. 4. AMENDMENTS TO TITLE I.

(a) EXCEPTIONS TO MORATORIUM.—Section 101(a)(2) (16 U.S.C. 1371(a)(2)) is amended—

(1) by inserting after the first sentence ''Such authorizations may be granted under title III with respect to purse seine fishing for yellowfin tuna in the eastern tropical Pacific Ocean, subject to regulations prescribed under that title by the Secretary without regard to section 103.''; and

(2) by striking the semicolon in the second sentence and all that follows through ''practicable''.

(b) DOCUMENTATION REQUIRED.—Section 101(a)(2) (16 U.S.C. 1371(a)(2)) is further amended—

(1) by striking subparagraph (B) and inserting the following:

''(B) in the case of yellowfin tuna harvested with purse seine nets in the eastern tropical Pacific Ocean, and products therefrom, to be exported to the United States, shall require that the government of the exporting nation provide documentary evidence that—

''(i)(I) the tuna or products therefrom were not banned from importation under this paragraph before the effective date of section 4 of the International Dolphin Conservation Program Act; or

''(II) the tuna or products therefrom were harvested after the effective date of section 4 of the International Dolphin Conservation Program Act by vessels of a nation which participates in the International Dolphin Conservation Program, and such harvesting nation is either a member of the Inter-American Tropical Tuna Commission or has initiated (and within 6 months thereafter completed) all steps required of applicant nations, in accordance with article V, paragraph 3 of the Convention establishing the Inter-American Tropical Tuna Commission, to become a member of that organization;

''(ii) such nation is meeting the obligations of the International Dolphin Conservation Program and the obligations of membership in the Inter-American Tropical Tuna Commission, including all financial obligations; and

''(iii) the total dolphin mortality limits, and per-stock per-year dolphin mortality limits permitted for that nation's vessels under the International Dolphin Conservation Program do not exceed the limits determined for 1997, or for any year thereafter, consistent with the objective of progressively reducing dolphin mortality to a level approaching zero through the setting of annual limits and the goal of eliminating dolphin mortality, and requirements of the International Dolphin Conservation Program;'';

(2) by redesignating subparagraphs (C), (D), and (E) as subparagraphs (D), (E), and (F), respectively;

(3) by inserting after subparagraph (B) the following:

''(C) shall not accept such documentary evidence if—

''(i) the government of the harvesting nation does not provide directly or authorize the Inter-American Tropical Tuna Commission to release complete and accurate information to the Secretary in a timely manner—

''(I) to allow determination of compliance with the International Dolphin Conservation Program; and

''(II) for the purposes of tracking and verifying compliance with the minimum requirements established by the Secretary in regulations promulgated under subsection (f) of the Dolphin Protection Consumer Information Act (16 U.S.C. 1385(f)); or

''(ii) after taking into consideration such information, findings of the Inter-American Tropical Tuna Commission, and any other relevant information, including information that a nation is consistently failing to take enforcement actions on violations which diminish the effectiveness of the International Dolphin Conservation Program, the Secretary, in consultation with the Secretary of State, finds that the harvesting nation is not in compliance with the International Dolphin Conservation Program.''; and

(4) by striking ''subparagraph (E)'' in the matter after subparagraph (F), as redesignated by paragraph (2) of this subsection, and inserting ''subparagraph (F)''.

(c) CERTAIN INCIDENTAL TAKINGS.—Section 101 (16 U.S.C. 1371) is further amended by adding at the end the following new subsection:

''(e) ACT NOT TO APPLY TO INCIDENTAL TAKINGS BY UNITED STATES CITIZENS EMPLOYED ON FOREIGN VESSELS OUTSIDE THE UNITED STATES EEZ.—The provisions of this Act shall not apply to a citizen of the United States who incidentally takes any marine mammal during fishing operations outside the United States exclusive economic zone (as defined in section 3 of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1802)) when employed on a foreign fishing vessel of a harvesting nation which is in compliance with the International Dolphin Conservation Program.''.

(d) PERMITS.—Section 104(h) (16 U.S.C. 1374(h)) is amended to read as follows:

''(h) GENERAL PERMITS.—

''(1) Consistent with the regulations prescribed pursuant to section 103 of this title and to the requirements of section 101 of this title, the Secretary may issue an annual permit to a United States purse seine fishing vessel for the taking of such marine mammals, and shall issue regulations to cover the use of any such annual permits.

''(2) Such annual permits for the incidental taking of marine mammals in the course of commercial purse seine fishing for yellowfin tuna in the eastern tropical Pacific Ocean shall be governed by section 306 of this Act, subject to the regulations issued pursuant to section 303 of this Act.''.

(e) INTERNATIONAL NEGOTIATIONS.—Section 108(a)(2) (16 U.S.C. 1378(a)(2)) is amended—

(1) by striking ''and'' at the end of subparagraph (A);

(2) by inserting after subparagraph (B) the following:

''(C) negotiations to revise the Convention for the Establishment of an Inter-American Tropical Tuna Commission (1 U.S.T. 230; TIAS 2044) which will incorporate—

''(i) the conservation and management provisions agreed to by the nations which have signed the Declaration of Panama and in the Straddling Fish Stocks and Highly Migratory Fish Stocks Agreement, as opened for signature on December 4, 1995; and

''(ii) a revised schedule of annual contributions to the expenses of the Inter-American Tropical Tuna Commission that is equitable to participating nations; and

''(D) discussions with those countries participating, or likely to participate, in the International Dolphin Conservation Program, for the purpose of identifying sources of funds needed for research and other measures promoting effective protection of dolphins, other marine species, and the marine ecosystem;''.

(f) RESEARCH GRANTS.—Section 110(a) (16 U.S.C. 1380(a)) is amended—

(1) by striking ''(1)'' in paragraph (1); and

(2) by striking paragraph (2).

SEC. 5. AMENDMENTS TO DOLPHIN PROTECTION CONSUMER INFORMATION ACT.

(a) LABELING STANDARD.— Subsection (d) of the Dolphin Protection Consumer Information Act (16 U.S.C. 1385(d)) is amended to read as follows:

''(d) LABELING STANDARD.—

''(1) It is a violation of section 5 of the Federal Trade Commission Act (15 U.S.C. 45) for any producer, importer, exporter, distributor, or seller of any tuna product that is exported from or offered for sale in the United States to include on the label of that product the term 'dolphin safe' or any other term or symbol that falsely claims or suggests that the tuna contained in the product were harvested using a method of fishing that is not harmful to dolphins if the product contains tuna harvested—

''(A) on the high seas by a vessel engaged in driftnet fishing;

''(B) outside the eastern tropical Pacific Ocean by a vessel using purse seine nets—

''(i) in a fishery in which the Secretary has determined that a regular and significant association occurs between dolphins and tuna (similar to the association between dolphins and tuna in the eastern tropical Pacific Ocean), unless such product is accompanied by a written statement, executed by the captain of the vessel and an observer participating in a national or international program acceptable to the Secretary, certifying that no purse seine net was intentionally deployed on or used to encircle dolphins during the particular voyage on which the tuna were caught and no dolphins were killed or seriously injured in the sets in which the tuna were caught; or

''(ii) in any other fishery (other than a fishery described in subparagraph (D)) unless the product is accompanied by a written statement executed by the captain of the vessel certifying that no purse seine net was intentionally deployed on or used to encircle dolphins during the particular voyage on which the tuna was harvested;

''(C) in the eastern tropical Pacific Ocean by a vessel using a purse seine net unless the tuna meet the requirements for being considered dolphin safe under paragraph (2); or

''(D) by a vessel in a fishery other than one described in subparagraph (A), (B), or (C) that is identified by the Secretary as having a regular and significant mortality or serious injury of dolphins, unless such product is accompanied by a written statement executed by the captain of the vessel and an observer participating in a national or international program acceptable to the Secretary that no dolphins were killed or seriously injured in the sets or other gear deployments in which the tuna were caught, provided that the Secretary determines that such an observer statement is necessary.

''(2) For purposes of paragraph (1)(C), a tuna product that contains tuna harvested in the eastern tropical Pacific Ocean by a vessel using purse seine nets is dolphin safe if—

''(A) the vessel is of a type and size that the Secretary has determined, consistent with the International Dolphin Conservation Program, is not capable of deploying its purse seine nets on or to encircle dolphins; or

''(B)(i) the product is accompanied by a written statement executed by the captain providing the certification required under subsection (h);

''(ii) the product is accompanied by a written statement executed by—

''(I) the Secretary or the Secretary's designee;

''(II) a representative of the Inter-American Tropical Tuna Commission; or

''(III) an authorized representative of a participating nation whose national program meets the requirements of the International Dolphin Conservation Program,

which states that there was an observer approved by the International Dolphin Conservation Program on board the vessel during the entire trip and that such observer provided the certification required under subsection (h); and

''(iii) the statements referred to in clauses (i) and (ii) are endorsed in writing by each exporter, importer, and processor of the product; and

''(C) the written statements and endorsements referred to in subparagraph (B) comply with regulations promulgated by the Secretary which provide for the verification of tuna products as dolphin safe.

''(3)(A) The Secretary of Commerce shall develop an official mark that may be used to label tuna products as dolphin safe in accordance with this Act.

''(B) A tuna product that bears the dolphin safe mark developed under subparagraph (A) shall not bear any other label or mark that refers to dolphins, porpoises, or marine mammals.

''(C) It is a violation of section 5 of the Federal Trade Commission Act (15 U.S.C. 45) to label a tuna product with any label or mark that refers to dolphins, porpoises, or marine mammals other than the mark developed under subparagraph (A) unless—

''(i) no dolphins were killed or seriously injured in the sets or other gear deployments in which the tuna were caught;

''(ii) the label is supported by a tracking and verification program which is comparable in effectiveness to the program established under subsection (f); and

''(iii) the label complies with all applicable labeling, marketing, and advertising laws and regulations of the Federal Trade Commission, including any guidelines for environmental labeling.

''(D) If the Secretary determines that the use of a label referred to in subparagraph (C) is substantially undermining the conservation goals of the International Dolphin Conservation Program, the Secretary shall report that determination to the United States Senate Committee on Commerce, Science, and Transportation and the United States House of Representatives Committees on Resources and on Commerce, along with recommendations to correct such problems.

''(E) It is a violation of section 5 of the Federal Trade Commission Act (15 U.S.C. 45) willingly and knowingly to use a label referred to in subparagraph (C) in a campaign or effort to mislead or deceive consumers about the level of protection afforded dolphins under the International Dolphin Conservation Program.''.

(b) TRACKING REGULATIONS.—Subsection (f) of the Dolphin Protection Consumer Information Act (16 U.S.C. 1385(f)) is amended to read as follows:

''(f) REGULATIONS.—The Secretary, in consultation with the Secretary of the Treasury, shall issue regulations to implement this Act, including regulations to establish a domestic tracking and verification program that provides for the effective tracking of tuna labeled under subsection (d). In the development of these regulations, the Secretary shall establish appropriate procedures for ensuring the confidentiality of proprietary information the submission of which is voluntary or mandatory. The regulations shall address each of the following items:

''(1) The use of weight calculation for purposes of tracking tuna caught, landed, processed, and exported.

''(2) Additional measures to enhance current observer coverage, including the establishment of criteria for training, and for improving monitoring and reporting capabilities and procedures.

''(3) The designation of well location, procedures for sealing holds, procedures for monitoring and certifying both above and below deck, or through equally effective methods, the tracking and verification of tuna labeled under subsection (d).

''(4) The reporting, receipt, and database storage of radio and facsimile transmittals from fishing vessels containing information related to the tracking and verification of tuna, and the definition of set.

''(5) The shore-based verification and tracking throughout the fishing, transshipment, and canning process by means of Inter-American Tropical Tuna Commission trip records or otherwise.

''(6) The use of periodic audits and spot checks for caught, landed, and processed tuna products labeled in accordance with subsection (d).

''(7) The provision of timely access to data required under this subsection by the Secretary from harvesting nations to undertake the actions required in paragraph (6) of this paragraph.

The Secretary may make such adjustments as may be appropriate to the regulations promulgated under this subsection to implement an international tracking and verification program that meets or exceeds the minimum requirements established by the Secretary under this subsection.''.

(c) FINDINGS CONCERNING IMPACT ON DEPLETED STOCKS.—The Dolphin Protection Consumer Information Act (16 U.S.C. 1385) is amended by striking subsections (g), (h), and (i) and inserting the following:

''(g) SECRETARIAL FINDINGS.—(1) Between March 1, 1999, and March 31, 1999, the Secretary shall, on the basis of the research conducted before March 1, 1999, under section 304(a) of the Marine Mammal Protection Act of 1972, information obtained under the International Dolphin Conservation Program, and any other relevant information, make an initial finding regarding whether the intentional deployment on or encirclement of dolphins with purse seine nets is having a significant adverse impact on any depleted dolphin stock in the eastern tropical Pacific Ocean. The initial finding shall be published immediately in the Federal Register and shall become effective upon a subsequent date determined by the Secretary.

''(2) Between July 1, 2001, and December 31, 2002, the Secretary shall, on the basis of the completed study conducted under section 304(a) of the Marine Mammal Protection Act of 1972, information obtained under the International Dolphin Conservation Program, and any other relevant information, make a finding regarding whether the intentional deployment on or encirclement of dolphins with purse seine nets is having a significant adverse impact on any depleted dolphin stock in the eastern tropical Pacific Ocean. The finding shall be published immediately in the Federal Register and shall become effective upon a subsequent date determined by the Secretary.

''(h) CERTIFICATION BY CAPTAIN AND OBSERVER.—

''(1) Unless otherwise required by paragraph (2), the certification by the captain under subsection (d)(2)(B)(i) and the certification provided by the observer as specified in subsection (d)(2)(B)(ii) shall be that no dolphins were killed or seriously injured during the sets in which the tuna were caught.

''(2) The certification by the captain under subsection (d)(2)(B)(i) and the certification provided by the observer as specified under subsection (d)(2)(B)(ii) shall be that no tuna were caught on the trip in which such tuna were harvested using a purse seine net intentionally deployed on or to encircle dolphins, and that no dolphins were killed or seriously injured during the sets in which the tuna were caught, if the tuna were caught on a trip commencing—

''(A) before the effective date of the initial finding by the Secretary under subsection (g)(1);

''(B) after the effective date of such initial finding and before the effective date of the finding of the Secretary under subsection (g)(2), where the initial finding is that the intentional deployment on or encirclement of dolphins is having a significant adverse impact on any depleted dolphin stock; or

''(C) after the effective date of the finding under subsection (g)(2), where such finding is that the intentional deployment on or encirclement of dolphins is having a significant adverse impact on any such depleted stock.''.

SEC. 6. AMENDMENTS TO TITLE III.

(a) CHANGE OF TITLE HEADING.—The heading of title III is amended to read as follows:

''TITLE III—INTERNATIONAL DOLPHIN CONSERVATION PROGRAM''.

(b) ADDITIONAL FINDINGS.—Section 301 (16 U.S.C. 1411) is amended—

(1) by striking paragraph (4) of subsection (a) and inserting the following:

''(4) Nations harvesting yellowfin tuna in the eastern tropical Pacific Ocean have demonstrated their willingness to participate in appropriate multilateral agreements to reduce dolphin mortality progressively to a level approaching zero through the setting of annual limits, with the goal of eliminating dolphin mortality in that fishery. Recognition of the International Dolphin Conservation Program will assure that the existing trend of reduced dolphin mortality continues; that individual stocks of dolphins are adequately protected; and that the goal of eliminating all dolphin mortality continues to be a priority.''; and

(2) by striking paragraphs (2) and (3) of subsection (b) and inserting the following:

''(2) support the International Dolphin Conservation Program and efforts within the Program to reduce, with the goal of eliminating, the mortality referred to in paragraph (1);

''(3) ensure that the market of the United States does not act as an incentive to the harvest of tuna caught with driftnets or caught by purse seine vessels in the eastern tropical Pacific Ocean not operating in compliance with the International Dolphin Conservation Program;''.

(c) Title III (16 U.S.C. 1411 et seq.) is amended by striking sections 302 through 306 (16 U.S.C. 1412 through 1416) and inserting the following:

''SEC. 302. INTERNATIONAL DOLPHIN CONSERVATION PROGRAM.

''The Secretary of State, in consultation with the Secretary, shall seek to secure a binding international agreement to establish an International Dolphin Conservation Program that requires—

''(1) that the total annual dolphin mortality in the purse seine fishery for yellowfin tuna in the eastern tropical Pacific Ocean shall not exceed 5,000 animals with a commitment and objective to progressively reduce dolphin mortality to a level approaching zero through the setting of annual limits;

''(2) the establishment of a per-stock per-year dolphin mortality limit, to be in effect through calendar year 2000, at a level between 0.2 percent and 0.1 percent of the minimum population estimate, as calculated, revised, or approved by the Secretary;

''(3) the establishment of a per-stock per-year dolphin mortality limit, beginning with the calendar year 2001, at a level less than or equal to 0.1 percent of the minimum population estimate as calculated, revised, or approved by the Secretary;

''(4) that if a dolphin mortality limit is exceeded under—

''(A) paragraph (1), all sets on dolphins shall cease for the applicable fishing year; and

''(B) paragraph (2) or (3), all sets on the stocks covered under paragraph (2) or (3) and any mixed schools that contain any of those stocks shall cease for the applicable fishing year;

''(5) a scientific review and assessment to be conducted in calendar year 1998 to—

''(A) assess progress in meeting the objectives set for calendar year 2000 under paragraph (2); and

''(B) as appropriate, consider recommendations for meeting these objectives;

''(6) a scientific review and assessment to be conducted in calendar year 2000—

''(A) to review the stocks covered under paragraph (3); and

''(B) as appropriate to consider recommendations to further the objectives set under that paragraph;

''(7) the establishment of a per vessel maximum annual dolphin mortality limit consistent with the established per-year mortality limits, as determined under paragraphs (1) through (3); and

''(8) the provision of a system of incentives to vessel captains to continue to reduce dolphin mortality, with the goal of eliminating dolphin mortality.

''SEC. 303. REGULATORY AUTHORITY OF THE SECRETARY.

''(a) REGULATIONS.—

''(1) The Secretary shall issue regulations, and revise those regulations as may be appropriate, to implement the International Dolphin Conservation Program.

''(2)(A) The Secretary shall issue regulations to authorize and govern the taking of marine mammals in the eastern tropical Pacific Ocean, including any species of marine mammal designated as depleted under this Act but not listed as endangered or threatened under the Endangered Species Act (16 U.S.C. 1531 et seq.), by vessels of the United States participating in the International Dolphin Conservation Program.

''(B) Regulations issued under this section shall include provisions—

''(i) requiring observers on each vessel;

''(ii) requiring use of the backdown procedure or other procedures equally or more effective in avoiding mortality of, or serious injury to, marine mammals in fishing operations;

''(iii) prohibiting intentional sets on stocks and schools in accordance with the International Dolphin Conservation Program;

''(iv) requiring the use of special equipment, including dolphin safety panels in nets, monitoring devices as identified by the International Dolphin Conservation Program to detect unsafe fishing conditions that may cause high incidental dolphin mortality before nets are deployed by a tuna vessel, operable rafts, speedboats with towing bridles, floodlights in operable condition, and diving masks and snorkels;

''(v) ensuring that the backdown procedure during sets of purse seine net on marine mammals is completed and rolling of the net to sack up has begun no later than 30 minutes before sundown;

''(vi) banning the use of explosive devices in all purse seine operations;

''(vii) establishing per vessel maximum annual dolphin mortality limits, total dolphin mortality limits and per-stock per-year mortality limits in accordance with the International Dolphin Conservation Program;

''(viii) preventing the making of intentional sets on dolphins after reaching either the vessel maximum annual dolphin mortality limits, total dolphin mortality limits, or per-stock per-year mortality limits;

''(ix) preventing the fishing on dolphins by a vessel without an assigned vessel dolphin mortality limit;

''(x) allowing for the authorization and conduct of experimental fishing operations, under such terms and conditions as the Secretary may prescribe, for the purpose of testing proposed improvements in fishing techniques and equipment that may reduce or eliminate dolphin mortality or serious injury do not require the encirclement of dolphins in the course of commercial yellowfin tuna fishing;

''(xi) authorizing fishing within the area covered by the International Dolphin Conservation Program by vessels of the United States without the use of special equipment or nets if the vessel takes an observer and does not intentionally deploy nets on, or encircle, dolphins, under such terms and conditions as the Secretary may prescribe; and

''(xii) containing such other restrictions and requirements as the Secretary determines are necessary to implement the International Dolphin Conservation Program with respect to vessels of the United States.

''(C) ADJUSTMENTS TO REQUIREMENTS.—The Secretary may make such adjustments as may be appropriate to requirements of subparagraph (B) that pertain to fishing gear, vessel equipment, and fishing practices to the extent the adjustments are consistent with the International Dolphin Conservation Program.

''(b) CONSULTATION.—In developing any regulation under this section, the Secretary shall consult with the Secretary of State, the Marine Mammal Commission, and the United States Commissioners to the Inter-American Tropical Tuna Commission appointed under section 3 of the Tuna Conventions Act of 1950 (16 U.S.C. 952).

''(c) EMERGENCY REGULATIONS.—

''(1) If the Secretary determines, on the basis of the best scientific information available (including research conducted under section 304 and information obtained under the International Dolphin Conservation Program) that the incidental mortality and serious injury of marine mammals authorized under this title is having, or is likely to have, a significant adverse impact on a marine mammal stock or species, the Secretary shall—

''(A) notify the Inter-American Tropical Tuna Commission of his or her determination, along with recommendations to the Commission as to actions necessary to reduce incidental mortality and serious injury and mitigate such adverse impact; and

''(B) prescribe emergency regulations to reduce incidental mortality and serious injury and mitigate such adverse impact.

''(2) Before taking action under subparagraph (A) or (B) of paragraph (1), the Secretary shall consult with the Secretary of State, the Marine Mammal Commission, and the United States Commissioners to the Inter-American Tropical Tuna Commission.

''(3) Emergency regulations prescribed under this subsection—

''(A) shall be published in the Federal Register, together with an explanation thereof;

''(B) shall remain in effect for the duration of the applicable fishing year; and

''(C) may be terminated by the Secretary at an earlier date by publication in the Federal Register of a notice of termination if the Secretary determines that the reasons for the emergency action no longer exist.

''(4) If the Secretary finds that the incidental mortality and serious injury of marine mammals in the yellowfin tuna fishery in the eastern tropical Pacific Ocean is continuing to have a significant adverse impact on a stock or species, the Secretary may extend the emergency regulations for such additional periods as may be necessary.

''(5) Within 120 days after the Secretary notifies the United States Commissioners to the Inter-American Tropical Tuna Commission of the Secretary's determination under paragraph (1)(A), the United States Commissioners shall call for a special meeting of the Commission to address the actions necessary to reduce incidental mortality and serious injury and mitigate the adverse impact which resulted in the determination. The Commissioners shall report the results of the special meeting in writing to the Secretary and to the Secretary of State. In their report, the Commissioners shall—

''(A) include a description of the actions taken by the harvesting nations or under the International Dolphin Conservation Program to reduce the incidental mortality and serious injury and measures to mitigate the adverse impact on the marine mammal species or stock;

''(B) indicate whether, in their judgment, the actions taken address the problem adequately; and

''(C) if they indicate that the actions taken do not address the problem adequately, include recommendations of such additional action to be taken as may be necessary.

''SEC. 304. RESEARCH.

''(a) REQUIRED RESEARCH.—

''(1) IN GENERAL.—The Secretary shall, in consultation with the Marine Mammal Commission and the Inter-American Tropical Tuna Commission, conduct a study of the effect of intentional encirclement (including chase) on dolphins and dolphin stocks incidentally taken in the course of purse seine fishing for yellowfin tuna in the eastern tropical Pacific Ocean. The study, which shall commence on October 1, 1997, shall consist of abundance surveys as described in paragraph (2) and stress studies as described in paragraph (3), and shall address the question of whether such encirclement is having a significant adverse impact on any depleted dolphin stock in the eastern tropical Pacific Ocean.

''(2) POPULATION ABUNDANCE SURVEYS.—The abundance surveys under this subsection shall survey the abundance of such depleted stocks and shall be conducted during each of the calendar years 1998, 1999, and 2000.

''(3) STRESS STUDIES.—The stress studies under this subsection shall include—

''(A) a review of relevant stress-related research and a 3-year series of necropsy samples from dolphins obtained by commercial vessels;

''(B) a 1-year review of relevant historical demographic and biological data related to dolphins and dolphin stocks referred to in paragraph (1); and

''(C) an experiment involving the repeated chasing and capturing of dolphins by means of intentional encirclement.

''(4) REPORT.—No later than 90 days after publishing the finding under subsection (g)(2) of the Dolphin Protection Consumer Information Act, the Secretary shall complete and submit a report containing the results of the research described in this subsection to the United States Senate Committee on Commerce, Science, and Transportation and the United States House of Representatives Committees on Resources and on Commerce, and to the Inter-American Tropical Tuna Commission.

''(b) OTHER RESEARCH.—

''(1) IN GENERAL.—In addition to conducting the research described in subsection (a), the Secretary shall, in consultation with the Marine Mammal Commission and in cooperation with the nations participating in the International Dolphin Conservation Program and the Inter-American Tropical Tuna Commission, undertake or support appropriate scientific research to further the goals of the International Dolphin Conservation Program.

''(2) SPECIFIC AREAS OF RESEARCH.—Research carried out under paragraph (1) may include—

''(A) projects to devise cost-effective fishing methods and gear so as to reduce, with the goal of eliminating, the incidental mortality and serious injury of marine mammals in connection with commercial purse seine fishing in the eastern tropical Pacific Ocean;

''(B) projects to develop cost-effective methods of fishing for mature yellowfin tuna without setting nets on dolphins or other marine mammals;

''(C) projects to carry out stock assessments for those marine mammal species and marine mammal stocks taken in the purse seine fishery for yellowfin tuna in the eastern tropical Pacific Ocean, including species or stocks not within waters under the jurisdiction of the United States; and

''(D) projects to determine the extent to which the incidental take of nontarget species, including juvenile tuna, occurs in the course of purse seine fishing for yellowfin tuna in the eastern tropical Pacific Ocean, the geographic location of the incidental take, and the impact of that incidental take on tuna stocks and nontarget species.

''(c) AUTHORIZATION OF APPROPRIATIONS.—

''(1) There are authorized to be appropriated to the Secretary the following amounts, to be used by the Secretary to carry out the research described in subsection (a):

''(A) $4,000,000 for fiscal year 1998.

''(B) $3,000,000 for fiscal year 1999.

''(C) $4,000,000 for fiscal year 2000.

''(D) $1,000,000 for fiscal year 2001.

''(2) In addition to the amount authorized to be appropriated under paragraph (1), there are authorized to be appropriated to the Secretary for carrying out this section $3,000,000 for each of the fiscal years 1998, 1999, 2000, and 2001.

''SEC. 305. REPORTS BY THE SECRETARY.

''Notwithstanding section 103(f), the Secretary shall submit annual reports to the Congress which include—

''(1) results of research conducted pursuant to section 304;

''(2) a description of the status and trends of stocks of tuna;

''(3) a description of the efforts to assess, avoid, reduce, and minimize the bycatch of juvenile yellowfin tuna and bycatch of nontarget species;

''(4) a description of the activities of the International Dolphin Conservation Program and of the efforts of the United States in support of the Program's goals and objectives, including the protection of dolphin stocks in the eastern tropical Pacific Ocean, and an assessment of the effectiveness of the Program;

''(5) actions taken by the Secretary under section 101(a)(2)(B) and section 101(d);

''(6) copies of any relevant resolutions and decisions of the Inter-American Tropical Tuna Commission, and any regulations promulgated by the Secretary under this title; and

''(7) any other information deemed relevant by the Secretary.

''SEC. 306. PERMITS.

''(a) IN GENERAL.—

''(1) Consistent with the regulations issued pursuant to section 303, the Secretary shall issue a permit to a vessel of the United States authorizing participation in the International Dolphin Conservation Program and may require a permit for the person actually in charge of and controlling the fishing operation of the vessel. The Secretary shall prescribe such procedures as are necessary to carry out this subsection, including requiring the submission of—

''(A) the name and official number or other identification of each fishing vessel for which a permit is sought, together with the name and address of the owner thereof; and

''(B) the tonnage, hold capacity, speed, processing equipment, and type and quantity of gear, including an inventory of special equipment required under section 303, with respect to each vessel.

''(2) The Secretary is authorized to charge a fee for granting an authorization and issuing a permit under this section. The level of fees charged under this paragraph may not exceed the administrative cost incurred in granting an authorization and issuing a permit. Fees collected under this paragraph shall be available to the Under Secretary of Commerce for Oceans and Atmosphere for expenses incurred in granting authorizations and issuing permits under this section.

''(3) After the effective date of the International Dolphin Conservation Program Act, no vessel of the United States shall operate in the yellowfin tuna fishery in the eastern tropical Pacific Ocean without a valid permit issued under this section.

''(b) PERMIT SANCTIONS.—

''(1) In any case in which—

''(A) a vessel for which a permit has been issued under this section has been used in the commission of an act prohibited under section 307;

''(B) the owner or operator of any such vessel or any other person who has applied for or been issued a permit under this section has acted in violation of section 307; or

''(C) any civil penalty or criminal fine imposed on a vessel, owner or operator of a vessel, or other person who has applied for or been issued a permit under this section has not been paid or is overdue,

the Secretary may—

''(i) revoke any permit with respect to such vessel, with or without prejudice to the issuance of subsequent permits;

''(ii) suspend such permit for a period of time considered by the Secretary to be appropriate;

''(iii) deny such permit; or

''(iv) impose additional conditions or restrictions on any permit issued to, or applied for by, any such vessel or person under this section.

''(2) In imposing a sanction under this subsection, the Secretary shall take into account—

''(A) the nature, circumstances, extent, and gravity of the prohibited acts for which the sanction is imposed; and

''(B) with respect to the violator, the degree of culpability, any history of prior offenses, and other such matters as justice requires.

''(3) Transfer of ownership of a vessel, by sale or otherwise, shall not extinguish any permit sanction that is in effect or is pending at the time of transfer of ownership. Before executing the transfer of ownership of a vessel, by sale or otherwise, the owner shall disclose in writing to the prospective transferee the existence of any permit sanction that will be in effect or pending with respect to the vessel at the time of transfer.

''(4) In the case of any permit that is suspended for the failure to pay a civil penalty or criminal fine, the Secretary shall reinstate the permit upon payment of the penalty or fine and interest thereon at the prevailing rate.

''(5) No sanctions shall be imposed under this section unless there has been a prior opportunity for a hearing on the facts underlying the violation for which the sanction is imposed, either in conjunction with a civil penalty proceeding under this title or otherwise.''.

(d) Section 307 (16 U.S.C. 1417) is amended—

(1) by striking paragraphs (1), (2), and (3) of subsection (a) and inserting the following:

''(1) for any person to sell, purchase, offer for sale, transport, or ship, in the United States, any tuna or tuna product unless the tuna or tuna product is either dolphin safe or has been harvested in compliance with the International Dolphin Conservation Program by a country that is a member of the Inter-American Tropical Tuna Commission or has initiated and within 6 months thereafter completed all steps required of applicant nations in accordance with Article V, paragraph 3 of the Convention establishing the Inter-American Tropical Tuna Commission, to become a member of that organization;

''(2) except as provided for in subsection 101(d), for any person or vessel subject to the jurisdiction of the United States intentionally to set a purse seine net on or to encircle any marine mammal in the course of tuna fishing operations in the eastern tropical Pacific Ocean except in accordance with this title and regulations issued pursuant to this title; and

''(3) for any person to import any yellowfin tuna or yellowfin tuna product or any other fish or fish product in violation of a ban on importation imposed under section 101(a)(2);'';

(2) by inserting ''(a)(5) or'' before ''(a)(6)'' in subsection (b)(2); and

(3) by striking subsection (d).

(e) Section 308 (16 U.S.C. 1418) is repealed.

(f) CLERICAL AMENDMENTS.—The table of contents in the first section of the Marine Mammal Protection Act of 1972 is amended by striking the items relating to title III and inserting in lieu thereof the following:

''TITLE III—INTERNATIONAL DOLPHIN CONSERVATION PROGRAM

''Sec. 301. Findings and policy.
''Sec. 302. International Dolphin Conservation Program.
''Sec. 303. Regulatory authority of the Secretary.
''Sec. 304. Research.
''Sec. 305. Reports by the Secretary.
''Sec. 306. Permits.
''Sec. 307. Prohibitions.''.

SEC. 7. AMENDMENTS TO THE TUNA CONVENTIONS ACT.

(a) Section 3(c) of the Tuna Conventions Act (16 U.S.C. 952(c)) is amended to read as follows:

''(c) at least one shall be either the Administrator, or an appropriate officer, of the National Marine Fisheries Service; and''.

(b) Section 4 of the Tuna Conventions Act (16 U.S.C. 953) is amended to read as follows:

''SEC. 4. GENERAL ADVISORY COMMITTEE AND SCIENTIFIC ADVISORY SUBCOMMITTEE.

''(a) APPOINTMENTS; PUBLIC PARTICIPATION; COMPENSATION.—The Secretary, in consultation with the United States Commissioners, shall—

''(1) appoint a General Advisory Committee which shall be composed of not less than 5 nor more than 15 persons with balanced representation from the various groups participating in the fisheries included under the conventions, and from nongovernmental conservation organizations;

''(2) appoint a Scientific Advisory Subcommittee which shall be composed of not less than 5 nor more than 15 qualified scientists with balanced representation from the public and private sectors, including nongovernmental conservation organizations;

''(3) establish procedures to provide for appropriate public participation and public meetings and to provide for the confidentiality of confidential business data; and

''(4) fix the terms of office of the members of the General Advisory Committee and Scientific Advisory Subcommittee, who shall receive no compensation for their services as such members.

''(b) FUNCTIONS.—

''(1) GENERAL ADVISORY COMMITTEE.—The General Advisory Committee shall be invited to have representatives attend all nonexecutive meetings of the United States sections and shall be given full opportunity to examine and to be heard on all proposed programs of investigations, reports, recommendations, and regulations of the Commission. The General Advisory Committee may attend all meetings of the international commissions to which they are invited by such commissions.

''(2) SCIENTIFIC ADVISORY SUBCOMMITTEE.—

''(A) ADVICE.—The Scientific Advisory Subcommittee shall advise the General Advisory Committee and the Commissioners on matters including—

''(i) the conservation of ecosystems;

''(ii) the sustainable uses of living marine resources related to the tuna fishery in the eastern Pacific Ocean; and

''(iii) the long-term conservation and management of stocks of living marine resources in the eastern tropical Pacific Ocean.

''(B) OTHER FUNCTIONS AND ASSISTANCE.—The Scientific Advisory Subcommittee shall, as requested by the General Advisory Committee, the United States Commissioners, or the Secretary, perform functions and provide assistance required by formal agreements entered into by the United States for this fishery, including the International Dolphin Conservation Program. These functions may include—

''(i) the review of data from the Program, including data received from the Inter-American Tropical Tuna Commission;

''(ii) recommendations on research needs, including ecosystems, fishing practices, and gear technology research, including the development and use of selective, environmentally safe and cost-effective fishing gear, and on the coordination and facilitation of such research;

''(iii) recommendations concerning scientific reviews and assessments required under the Program and engaging, as appropriate, in such reviews and assessments;

''(iv) consulting with other experts as needed; and

''(v) recommending measures to assure the regular and timely full exchange of data among the parties to the Program and each nation's National Scientific Advisory Committee (or its equivalent).

''(3) ATTENDANCE AT MEETINGS.—The Scientific Advisory Subcommittee shall be invited to have representatives attend all nonexecutive meetings of the United States sections and the General Advisory Subcommittee and shall be given full opportunity to examine and to be heard on all proposed programs of scientific investigation, scientific reports, and scientific recommendations of the commission. Representatives of the Scientific Advisory Subcommittee may attend meetings of the Inter-American Tropical Tuna Commission in accordance with the rules of such Commission.''.

(c) BYCATCH REDUCTION.—The Tuna Conventions Act (16 U.S.C. 951 et seq.) is amended by adding at the end thereof the following:

''SEC. 15. REDUCTION OF BYCATCH IN THE EASTERN TROPICAL PACIFIC OCEAN.

''The Secretary of State, in consultation with the Secretary of Commerce and acting through the United States Commissioners, shall seek, in cooperation with other nations whose vessel fish for tuna in the eastern tropical Pacific Ocean, to establish standards and measures for a bycatch reduction program for vessels fishing for yellowfin tuna in the eastern tropical Pacific Ocean. The bycatch reduction program shall include measures—

''(1) to require, to the maximum extent practicable, that sea turtles and other threatened species and endangered species are released alive;

''(2) to reduce, to the maximum extent practicable, the harvest of nontarget species;

''(3) to reduce, to the maximum extent practicable, the mortality of nontarget species; and

''(4) to reduce, to the maximum extent practicable, the mortality of juveniles of the target species.''.

SEC. 8. EFFECTIVE DATES.

(a) AMENDMENTS TO TAKE EFFECT WHEN IDCP IN FORCE.—Sections 3 through 7 of this Act (except for section 304 of the Marine Mammal Protection Act of 1972 as added by section 6 of this Act) shall become effective upon—

(1) certification by the Secretary of Commerce that—

(A) sufficient funding is available to complete the first year of the study required under section 304(a) of the Marine Mammal Protection Act of 1972, as so added; and

(B) the study has commenced; and

(2) certification by the Secretary of State to Congress that a binding resolution of the Inter-American Tropical Tuna Commission or other legally binding instrument establishing the International Dolphin Conservation Program has been adopted and is in force.

(b) SPECIAL EFFECTIVE DATE.—Notwithstanding subsection (a), the Secretary of Commerce may issue regulations under—

(1) subsection (f)(2) of the Dolphin Protection Consumer Information Act (16 U.S.C. 1385(f)(2)), as added by section 5(b) of this Act;

(2) section 303(a) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1413(a)), as added by section 6(c) of this Act,

at any time after the date of enactment of this Act.

The SPEAKER pro tempore (during the reading). Without objection, the Senate amendment will be considered as read and printed in the RECORD.

There was no objection.

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

Mr. ABERCROMBIE. Mr. Speaker, reserving the right to object, I will ask the gentleman from New Jersey to explain his request.

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

Mr. ABERCROMBIE. I yield to the gentleman from New Jersey.

Mr. SAXTON. Mr. Speaker, I appreciate the gentleman's reservation in order that we may discuss the history and the provisions of this bill. Both the gentleman from Maryland [Mr. GILCHREST] and the gentleman from California [Mr. CUNNINGHAM] have worked exceedingly hard both in the House and in the Senate. That effort culminated just a few days ago with a 99 to 0 vote in favor of this bill in the Senate. It simply implements most of the provisions which we provided through the Subcommittee on Fisheries Conservation, Wildlife and Oceans.

Subsequently, the Committee on Resources in this House in passage on the floor here, it also implements the Panama Declaration to protect dolphins and sea life. It is a conservation measure which is extremely important to fishermen on the west coast. It is a compromise that was reached with opponents of the bill, and although it is not perfect, I believe it is a good bill and a bill that should be supported by everyone in the Chamber this afternoon.

Mr. ABERCROMBIE. Further reserving the right to object, Mr. Speaker, might I ask? I noticed that the gentleman from California [Mr. CUNNINGHAM], who has been associated with this bill from the beginning is on the floor and at the podium, and I would like to yield to him for remarks he might make while I consider this reservation.

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

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

Mr. CUNNINGHAM. Mr. Speaker, I thank my friend from Hawaii, and we have been friends for a long time, and what I would say is under the same circumstances I probably would have objected also, just receiving the information, not knowing what the bill was. The gentleman from Maryland [Mr. GILCHREST] and myself have been following this thing day by day, working with the senators from my State on the bill who had objection to it originally. There were some agreements made on the Senate side that I would have not wanted in the bill, but were placed there. I, like the gentleman from New Jersey [Mr. SAXTON] and my colleague from Maryland, agree that in the best interests of the country and of the safety of the tuna dolphin that it would be good to pass and push on this bill.

After all, it was supported last Congress. It did not make it to the Senate, it has gone through here, it has gone through the Senate, and I believe the President has lobbied strongly for this bill and will sign it, that we go forth and do that. And I thank my friend for not only his patience, but for his consideration.

Mr. ABERCROMBIE. Mr. Speaker, in order for me to be able to completely understand the situation and to have it on the record, may I ask the gentleman from Maryland, under the bill as it is before us, the conference bill as before us, does the dolphin-safe label change now?

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

Mr. ABERCROMBIE. I yield to the gentleman from Maryland.

Mr. GILCHREST. Mr. Speaker, the dolphin-safe label does not change now from the way it is.

Mr. ABERCROMBIE. And what would be the earliest date that the label could change? Would that be March of 1999?

Mr. GILCHREST. It will be 18 months after October 1997, whatever that might be, March of 1999.

Mr. ABERCROMBIE. 18 months?

Mr. GILCHREST. Yes.

Mr. ABERCROMBIE. And could the gentleman explain the rationale for those two answers?

Mr. GILCHREST. Mr. Speaker, the reason the label does not change until March of 1999 is a compromise worked out on the Senate side to pursue a very scientific study of what the dolphins go through under this new regime.

Now if the scientific study shows that there is no stress as a result of encirclement and other problems with the dolphins do not arise and one can catch tuna fish by encircling them and releasing the dolphins, if everything scientifically proves out within this 18-month period, then the label will reflect that dolphins can be released without harm in the process of encircling tuna fish and then the label will reflect that.

Mr. ABERCROMBIE. So we will revisit the issue in 18 months at the conclusion of the circumstances the gentleman from Maryland just outlined?

Mr. GILCHREST. Mr. Speaker, I can assure the gentleman from Hawaii that we will not only revisit this in 18 months, but that the gentleman from California (Mr. Cunningham) and myself will visit this issue on a very regular basis during the course of this study.

Mr. ABERCROMBIE. Mr. Speaker, I thank the gentleman from Maryland very much.

Considering the answers, Mr. Speaker, I want to thank the gentleman from California [Mr. CUNNINGHAM] and the gentleman from Maryland [Mr. GILCHREST] and the gentleman from New Jersey [Mr. SAXTON] for the enumeration of the conditions and circumstances of the bill.

Mr. Speaker, as a result of the information I have received, I am going to withdraw my reservation of objection.

Mr. GILCHREST. Mr. Speaker, will the gentleman yield just for a second?

Mr. ABERCROMBIE. I yield to the gentleman from Maryland.

Mr. GILCHREST. Mr. Speaker, I would like to say that I have enjoyed working this bill with the gentleman from New Jersey [Mr. SAXTON], the gentleman from California [Mr. CUNNINGHAM], certainly the Members of the Senate, but I hold the gentleman from Hawaii in high esteem for his seriousness in legislation that comes out of this body.

Mr. MILLER of California. Mr. Speaker, the bill we are considering today—H.R. 408, the International Dolphin Conservation Program Act, as amended by S. 39—is a compromise. Normally, we would consider compromise to be the backbone of the way the congressional process works: Members with various viewpoints, representing very different constituencies from Maine to California, working to find the common ground that is necessary to national legislation.

Unfortunately, this compromise represents something very different. We are brought to this point by pressure from a foreign government, and that is not the way this institution should function.

This is not a bill to which I can lend enthusiastic support, although I will vote for it. I believe that, overall, this compromise represents a far better deal for dolphins than they would have received under the bill originally passed by the House, and that is due primarily to the untiring efforts and the commitment of Senator

BARBARA BOXER of California, who wrote the original dolphin protection law in 1990 and who has stood up to those on both sides of the Rio Grande who have sought to weaken that law.

We vigorously opposed an immediate change in the Dolphin-safe label, as was sought by Mexico and by the Administration, because there is a great deal of concern within the scientific community that the kind of fishing sanctioned by this bill will cause serious harm to dolphins. We insisted that an impartial scientific study be conducted to determine whether, as asserted, it is now possible to fish with purse seine nets and not harm dolphins.

I am therefore pleased to see that on this key point, we have been successful by requiring a three-year study on the impacts of chasing and netting on dolphin populations. Neither I nor the scientists I have consulted are comfortable with an automatic change in the meaning of ''dolphin safe'' after only 1 year of study unless the Secretary determines that chasing and netting dolphins has a significant adverse impact on the animals.

The scientists tell us that these dolphin populations should be growing at 4–6 percent annually, and that anything else should be considered a significant adverse impact. I assume the Secretary will base his decision on objective, independent scientific advice and not succumb to political pressure.

However, this bill now contains new language—not previously reviewed by the House and not subject to any hearings in either House or Senate—which, in my view, sets a dangerous precedent for the future of eco-labeling.

The language of this bill appears to exempt the government-defined ''dolphin safe'' label from FTC standards on truth in labeling. This language prohibits American citizens from suing the federal government over the accuracy and truthfulness of the label that purports to signify ''dolphin safe'' tuna.

The bill technically allows the use of labels other than the government label, which I support, but then contains a plethora of provisions and restrictions designed to ensure that competing labels will be all but impossible to use.

This bill requires the Secretary to make a determination on whether the use of other labels is ''substantially undermining the conservation goals of the International Dolphin Conservation Program,'' and to then recommend to the Congress how to ''correct such problems''. It also contains a provision—added to the last minute at the insistence of tuna companies—making it a violation of the Federal Trade Commission Act to ''use a label in a campaign or effort to mislead or deceive consumers about the level of protection afforded to dolphins under the International Dolphin Conservation Program Act.''

To my knowledge, no other provision of law contains such extensive limitations on the right of the American consumer to know the impacts of their purchases on the environment or anything else, and I am extremely uncomfortable about setting this precedent at a time when eco-labeling or other labeling efforts are under tremendous fire from global big business, without hearings or time to determine the exact extent of these limitations.

I intend to remain very engaged over the next 18 months as we undertake the study to determine the safety of purse seine nets on dolphins, and I know there are many outside Congress who will be watching this study, too. I expect that those who will engage in the study will utilize scrupulous scientific standards, and that the recommendations that result from the study will be scientifically sound rather than motivated by political or trade considerations.

Lastly, let me say that those of us who will be called upon to cast votes in the near future on fast track trade authority or on the expansion of NAFTA and other trade agreements would do well to study the history of this legislation. If there ever was a question that environmental and labor standards should be included as integral components of such agreements, not as side agreement afterthoughts, this legislation provides a clear example of why such provisions should be incorporated.

This legislation is the result of foreign governments telling American consumers and the U.S. Congress that we—and only we—must weaken our domestic product labeling laws because of this international agreement—an agreement, I might add, that not one person in this Congress had any role in drafting or approving. Trade and foreign demands are the engines of this legislation; sound science, mammal protection, consumer information all are being sacrificed on the almighty altar of free trade.

This goes far beyond the issue of tuna and dolphins. It goes to the issue of who makes the laws and the rules that govern this country and our constituents. Do we make decisions based on fact and science, or on the demands of foreign economic competitors?

The best reason to vote for this legislation is that, should this shaky compromise fail, a far worse version is waiting in the wings and undoubtedly will pass. In fact, there is some indication that the Mexican Government is already looking to weaken even this compromise.

So, I thank Senator BOXER and Senators BIDEN and SMITH for their efforts to make this bill less onerous, and I pledge to work with them in the coming year and a half to monitor the study that will determine how the label is to be written in the future.

Mr. ABERCROMBIE. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

A motion to reconsider was laid on the table.

HONORING THE LIFE OF BETTY SHABAZZ

Mr. RANGEL. Mr. Speaker, I ask unanimous consent that the Committee on Government Reform and Oversight be discharged from further consideration of the resolution (H.Res. 183) honoring the life of Betty Shabazz, 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 New York?

☐ 1730

Mr. CUNNINGHAM. Mr. Speaker, reserving the right to object, and I will not object, I would like to say to my friend from New York, sometimes at 700 knots you have to make a split second decision, and in this case, I think it has worked out for the best.

As I was standing before, I learned of a problem that existed and made a decision. As a matter of fact, I had rose at the other time with the reservation to allow the gentleman and the gentlewoman from New York to make their talk in support of the issue. The issue at hand had nothing to do with Betty Shabazz, and I rise in full and strong support of the gentleman from New York and the gentlewoman from New York and for what they are trying to do in this.

Mr. Speaker, under my reservation, I yield to the gentleman from New York [Mr. RANGEL].

Mr. RANGEL. Mr. Speaker, I thank the gentleman from California [Mr. CUNNINGHAM] for allowing his name to be included among the Members of Congress that take this time before we adjourn to pay great tribute to a great American. I recognize that the gentleman's objections had nothing to do with the life of this great woman, and I appreciate the fact that the gentleman is removing that objection.

Mr. CUNNINGHAM. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 183

Whereas the Nation honors Betty Shabazz as a wife, mother, educator, and advocate for civil and human rights, women, and the poor;

Whereas Betty Shabazz, through her life and deeds, has been an inspiration to people around the world;

Whereas Betty Shabazz was a woman of strength, resilience, perseverance, and grace who overcame the greatest of challenges;

Whereas Betty Shabazz was born Betty Sanders in Detroit, Michigan, on May 28, 1936;

Whereas Betty Shabazz met and married the controversial activist and leader El-Hajj Malik El-Shabazz (Malcolm X) in New York in 1958;

Whereas on February 21, 1965, while pregnant with twins, Betty Shabazz and their four daughters witnessed Malcolm X's assassination;

Whereas Betty Shabazz exhibited her resiliency and determination as a single mother, raising and educating her six daughters, Attallah, Qubilah, Ilyasah, Gamilah, and twins Malikah and Malaak;

Whereas Betty Shabazz found the time to become certified as a registered nurse, and to later earn bachelor's and master's degrees and, finally, a doctorate in education administration from the University of Massachusetts;

Whereas Betty Shabazz joined the administrative staff of Medgar Evers College in Brooklyn, New York, rising to high positions;

Whereas, while preserving the public memory of her late husband, Betty Shabazz earned a reputation of her own, as an educator, public speaker, and advocate for women, education, and civil and human rights;

Whereas on June 23, 1997, Betty Shabazz succumbed to injuries suffered in a tragic fire;

Whereas Betty Shabazz personified the roles of wife, mother, and professional woman; and

Whereas Betty Shabazz will be forever remembered for her love of family, her commitment to humankind, and for the joy and laughter she brought to all those who knew her: Now, therefore, be it

Resolved, That the House of Representatives honors the life of Betty Shabazz.

The resolution was agreed to.

A motion to reconsider was laid on the table.

RESIGNATION AS MEMBER OF COMMITTEE ON SMALL BUSINESS

The SPEAKER pro tempore laid before the House the following resignation as a member of the Committee on Small Business:

U.S. HOUSE OF REPRESENTATIVES
Washington, DC, July 30, 1997.

Hon. NEWT GINGRICH,
Speaker of the House of Representatives, Washington, DC.

DEAR MR. SPEAKER: As of today's date, I will be taking a leave of absence from the Small Business Committee so that I can continue serving on the Budget Committee.

Sincerely,

BOB WEYGAND,
Member of Congress.

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

There was no objection.

RESIGNATION AS MEMBER OF COMMITTEE ON BANKING AND FINANCIAL SERVICES

The SPEAKER pro tempore laid before the House the following resignation as a member of the Committee on Banking and Financial Services:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, July 30, 1997.

Hon. NEWT GINGRICH,
Speaker of the House of Representatives, Washington, DC.

DEAR MR. SPEAKER: I would like to inform you that I am resigning from my assignment on the House Committee of Banking and Financial Services.

Thank you very much.

Sincerely,

CYNTHIA MCKINNEY,
Member of Congress.

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

There was no objection.

ELECTION OF MEMBERS TO CERTAIN STANDING COMMITTEES OF THE HOUSE

Mr. FAZIO of California. Mr. Speaker, I offer a resolution (H. Res. 208), and I ask unanimous consent for its immediate consideration in the House.

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

The Clerk read as follows:

HOUSE RESOLUTION 208

Resolved, That the following named Members be, and that they are hereby, elected to the following standing committees of the House of Representatives:

To the Committee on Banking and Financial Services: Robert Weygand of Rhode Island.

To the Committee on National Security: Cynthia McKinney of Georgia.

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

Mr. ENGEL. Mr. Speaker, reserving the right to object, and I will not object, but I was here on the floor before and wanted to add just a couple of words to the tribute to Betty Shabazz.

Betty Shabazz was my constituent for many years in Mount Vernon, NY, and was truly a friend and a great lady, and I stood up before, but I was not seen, and so I wanted to just very briefly say a few words on her behalf and ask that my words be put into the RECORD behind Mr. RANGEL's remarks.

I last saw Betty Shabazz in my district at a church in a celebration, a ceremony, dealing with United States and African relations and investment in Africa. I have known Betty for many years, am familiar with her work and education and caring about young people and caring about the future of this country.

I want to say that Betty Shabazz was truly a woman of valor, truly a woman who was color-blind and cared about all Americans, regardless of race, creed, color, or religious origin. Her life personified, I think, what makes this country great, how someone can take adversity in their own personal lives and just move themselves forward, going to school and getting her doctorate and sharing what she knew with the community.

I remember sitting next to her last year at the Democratic National Convention, and we chatted about all the things that she cared about, and I just wanted to add my voice to say that we truly miss her already. She was a great woman, but her legacy will live on. She cared not only about the people in my district again, but about all people, and I represent the communities of Mount Vernon, NY and Yonkers, NY in which she lived, and she really made us all proud.

Ms. JACKSON-LEE of Texas. Mr. Speaker, will the gentleman yield?

Mr. ENGEL. Further reserving the right to object, I yield to the gentlewoman from Texas.

Ms. JACKSON-LEE of Texas. Mr. Speaker, if I might just ask the indulgence of the Speaker on behalf of the constituents of the 18th Congressional District of Texas, we admire the fact that New York claimed Dr. Betty Shabazz, but she is truly a national treasure, and for those of us in Texas, we acknowledge that Betty Shabazz was a symbol of motherhood in the fact that she rose as a single mother to raise six daughters and steadfastly continued her work on behalf of all children in this Nation. So those of us in Texas benefitted from her love of education and children as well as her great work at the Medgar Evers College and her great work with Coretta Scott King and Merlie Evers, of course widows who lost their husbands to tragedy, but as well to the cause of civil rights, like her husband, Malcolm X.

So I just wanted to join my colleague from New York [Mr. ENGEL], and on behalf of my constituents. We acknowledge her as a national treasure, and I am very proud to be able to stand here and salute the Honorable Dr. Betty Shabazz through her death. She has helped to consolidate those of us who would support children and be able to continue her fight for equality and justice.

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

Mr. ENGEL. Further reserving the right to object, I yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I want to join the gentlewoman from Texas [Ms. JACKSON-LEE] and the gentleman from New York [Mr. ENGEL] for their work on behalf of Betty Shabazz, who has become a mother figure for our entire land, the tragedies she suffered in the loss of her husband, the tragedy in her own life, and yet was able to go through so many wonderful things in her life. She will long be missed, and she has left her mark on our society.

Mr. ENGEL. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

LIMITING AMENDMENTS DURING FURTHER CONSIDERATION OF H.R. 2159, FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 1998

Mr. CALLAHAN. Mr. Speaker, I ask unanimous consent that during further consideration of the bill (H.R. 2159) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1998, and for other purposes, pursuant to the order of the House of July 24, 1997, no other amendment shall be in order (except pro forma amendments offered for the purpose of debate) unless printed before August 1, 1997 in the portion of the CONGRESSIONAL RECORD designated for that purpose in clause 6 of rule XXIII.

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

There was no objection.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO HAVE UNTIL MIDNIGHT, TUESDAY, AUGUST 5, 1997 TO FILE PRIVILEGED REPORT ON TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1998

Mr. CALLAHAN. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight Tuesday, August 5, 1997 to file a privileged report on a bill making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain independent agencies for the fiscal year ending September 30, 1998, and for other purposes.

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

There was no objection.

The SPEAKER pro tempore. All points of order are reserved on the bill.

CONGRATULATING INDIA AND PAKISTAN ON 50TH ANNIVERSARY OF INDEPENDENCE

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that the Committee on International Relations be discharged from further consideration of the resolution (H. Res. 157) congratulating the people of India and Pakistan on the occasion of the 50th anniversary of their nations' independence, and ask for its immediate consideration in the House.

The Clerk read the title of the resolution.

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

Mr. BEREUTER. Mr. Speaker, reserving the right to object, and I do not intend to object, but under my reservation I yield to the gentleman from New York to explain the resolution.

Mr. GILMAN. Mr. Speaker, I thank the gentleman from Nebraska for yielding.

Mr. Speaker, the gentleman from Nebraska [Mr. BEREUTER], the distinguished chairman of the Subcommittee on Asia and the Pacific, has sponsored this timely resolution, and I welcome his support at this very timely moment.

It is indeed a matter to celebrate when two of the largest democracies in the world, both India and Pakistan, reach their 50th anniversary of independence. In particular, India has had a continuous 50-year tradition of democracy and rule of law and great respect for religious freedom. We very much agree that we look forward to broadening and deepening the United States cooperation and friendship with both nations in the years to come.

Finally, one of the clauses of this resolution notes that the House plans to send a delegation to attend the independence celebrations. It is going to be my honor to lead such a delegation, and I look forward to being able to call to the attention of the House the fact that this resolution was fully agreed to in the House in such a timely manner.

We congratulate both India and Pakistan on their 50th anniversaries of their independence, and I thank the gentleman from Nebraska [Mr. BEREUTER] for bringing this matter before us at this time.

Mr. BEREUTER. Mr. Speaker, I thank the chairman.

Under my reservation, I yield to the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the gentleman from Nebraska as well. I thank him for his kindness.

Mr. Speaker, sometimes we tend to give credit to the youth, to what is young. I think it is so very important to acknowledge Pakistan and India for 50 years of democracy. I know the gentleman from New York Chairman GILMAN has been a strong stalwart around this Nation in advocating the understanding of world affairs and applauding our neighbors for them upholding democracy.

Here we have two very fine nations that will celebrate 50 years. I want my colleagues to know that I may not be in India or Pakistan, I am not sure, but I will be celebrating with those citizens of that origin here in this Nation if I am not, and I will be gratified to be with them, because they set a very fine example for what can be, no matter how large a country you might be, that every individual is valued and democracy is valued.

I am proud to be of this Nation, that for the longest period of time has claimed itself as a free and democratic Nation, and I am very happy today to be able to extend my hand of friendship, applause, to both of these gentlemen for raising up this honor of these two very fine nations. They have been democratic, they continue to work for democracy, and they continue to work to have a free society for their people.

Mr. BEREUTER. Mr. Speaker, I thank the gentlewoman for her comments. Under my reservation, I would like to continue very briefly.

America's relations with India are strong and are improving, and has in recent years experienced extraordinarily successful elections. The social and economic progress it has achieved in the last five decades is truly remarkable, and it has laid a foundation, a strong one, for India's future. The United States and India have developed into important trading partners. Indian-Americans are making enormous contributions to both countries.

Similarly, Pakistan is an extremely important friend to the United States. Pakistan's commitment to democracy was most recently evidenced in the February 1997 elections, which brought about a change of government. Pakistani-Americans have also made major contributions to American society, and our relationship has proven mutually beneficial.

It is this Member's understanding that the distinguished gentleman from New York [Mr. GILMAN], the chairman of the Committee on International Relations, will be leading a delegation to India and Pakistan in the coming month, in part to celebrate this momentous occasion. Such a delegation is appropriate and timely, and this Member certainly congratulates the chairman on his decision to lead such an important delegation.

The resolution itself calls for an official appointed House delegation to visit the two countries within the next anniversary year.

Mr. Speaker, House Resolution 157 is a bipartisan effort sponsored by this Member, the distinguished ranking Democrat on the Subcommittee on Asia and the Pacific, the gentleman from California, Mr. BERMAN, the distinguished chairman of the committee on International Relations, Mr. GILMAN, and the ranking Democrat of the Committee on International Relations, Mr. HAMILTON, as well as distinguished members from the House leadership, the gentleman from Georgia, Mr. GINGRICH, House Speaker; and the gentleman from Michigan, Mr. BONIOR, the Democratic whip.

I would urge and expect to have support for this resolution.

Mr. GILMAN. Mr. Speaker, if the gentleman will continue to yield under his reservation, I just want to thank the gentleman from Nebraska [Mr. BEREUTER] for his supporting remarks and for sponsoring this measure. I also thank the gentlewoman from Texas [Ms. JACKSON-LEE] for her support of this measure and for her kind remarks.

Mr. BEREUTER. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 157

Whereas in August 1947 the people of Pakistan and India gained their independence from the British;

Whereas the people of India, Pakistan, and the United States have a common interest in the promotion and preservation of democratic systems of government;

Whereas since independence in 1947 the people of India have maintained the world's largest democracy, one that serves as an inspiration for people throughout the world;

Whereas in recent years the people of Pakistan have reasserted their own strong commitment to building and sustaining a democratic system of government;

Whereas, in addition to democracy, the people of Pakistan, India, and the United States have had many shared values and interests over the past fifty years, including the desire to promote the peaceful development of the South Asian region;

Whereas Indian and Pakistani citizens, who have visited or lived in the United States, and United States citizens, who have visited or lived in India and Pakistan, have done much to improve mutual understanding and build friendship over the past fifty years;

Whereas United States citizens of Pakistani or Indian origin have contributed greatly to the advancement of knowledge, the development of the United States economy, and the enrichment of cultural life in the United States;

Whereas the ties of trade and investment among the United States, India, and Pakistan have grown over fifty years to the great benefit of the people of all three countries; and

Whereas the fiftieth anniversary of the independence of Pakistan and India offers an opportunity for India, Pakistan, and the United States to renew their commitment to international cooperation on issues of mutual interest and concern: Now, therefore, be it

Resolved, That the House of Representatives—

(1) congratulates the people of India and Pakistan on the occasion of the fiftieth anniversary of their nations' independence;

(2) looks forward to broadening and deepening United States cooperation and friendship with Pakistan and India in the years ahead for the benefit of the people of all three countries; and

(3) intends to send a delegation to India and Pakistan during this 50th anniversary year of independence to further enhance the mutual understanding among the United States, Pakistan, and India and among the United States Congress and the parliaments of those countries.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GILMAN. Mr. Speaker, I ask that all Members may have 5 legislative days within which to revise and extend their remarks on House Resolution 157.

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

There was no objection.

CORRECTING ERRORS IN ENROLLMENT OF H.R. 2014, TAXPAYER RELIEF ACT OF 1997

Mr. ARCHER. Mr. Speaker, I offer a concurrent resolution (H. Con. Res. 138) to correct technical errors in the enrollment of the bill H.R. 2014, and I ask unanimous consent for its immediate consideration.

The SPEAKER pro tempore. The Clerk will report the concurrent resolution.

The Clerk read as follows:

H. CON. RES. 138

Resolved by the House of Representatives (the Senate concurring), That, in the enrollment of the bill (H.R. 2014), to provide for reconciliation pursuant to subsections (b)(2) and (d) of section 105 of the concurrent resolution on the budget for fiscal year 1998, the Clerk of the House of Representatives shall make the following corrections:

(1) In the amendment proposed to be added by section 1085(c), strike ''section 407(d)'' and insert ''paragraph (4) or (7) of section 407(d)''.

(2) Strike subparagraph (B) of section 1031(e)(2) and insert the following:

''(B) TREATMENT OF AMOUNTS PAID FOR TICKETS PURCHASED BEFORE OCTOBER 1, 1997.—The amendments made by subsection (c) shall not apply to amounts paid before October 1, 1997; except that—

''(i) the amendment made to section 4261(c) of the Internal Revenue Code of 1986 shall apply to amounts paid more than 7 days after the date of the enactment of this Act for transportation beginning on or after October 1, 1997, and

''(ii) the amendment made to section 4263(c) of such Code shall apply to the extent related to taxes imposed under the amendment made to such section 4261(c) on the amounts described in clause (i).''.

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

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

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas [Mr. ARCHER] is recognized for 1 hour.

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

This enrolling resolution would make two corrections in the tax bill which just passed the House of Representatives, and that is H.R. 2014. The first correction would revise section 1085(c) to cover work experience and community service employment, but not subsidize private sector jobs.

Let me explain why this correction is necessary. The conference agreement intended to prohibit the payment of the earned income tax credit to TANF recipients who were participating in workfare or community service jobs. However, the bill language denies the EITC to individuals in subsidized private employment or on-the-job training where the employer receives wage subsidy funds from the State that are financed by the TAIF funds, as well as to individuals in welfare or community service jobs. This problem appears to have stemmed from the fact that the drafters did not find a definition of the term ''workfare,'' in title IV–A. So they swept in a wide array of work activities, including subsidized private sector employment, and this concurrent resolution would put in place the intent of what Congress was acting to do.

☐ 1745

The second correction would revise section 1031 of H.R. 2014 to delay the effective date of certain advance ticket purchases for air transportation beginning after September 30, 1997. The correction is needed to allow the airlines enough time to reprogram their computers for the new ticket pricing system as contained in H.R. 2014.

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

Mr. ARCHER. I yield to the gentleman from Michigan.

Mr. KILDEE. Mr. Speaker, I would ask the gentleman, I assume these corrections have been cleared with the ranking member of the Committee on Ways and Means?

Mr. ARCHER. I understand that they have. The gentleman from New York [Mr. RANGEL] has approved these corrections.

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

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 138

Resolved by the House of Representatives (the Senate concurring), That, in the enrollment of the bill (H.R. 2014), to provide for reconciliation pursuant to subsections (b)(2) and (d) of section 105 of the concurrent resolution on the budget for fiscal year 1998, the Clerk of the House of Representatives shall make the following corrections:

(1) In the amendment proposed to be added by section 1085(c), strike ''section 407(d)'' and insert ''paragraph (4) or (7) of section 407(d)''.

(2) Strike subparagraph (B) of section 1031(e)(2) and insert the following:

''(B) TREATMENT OF AMOUNTS PAID FOR TICKETS PURCHASED BEFORE OCTOBER 1, 1997.—The amendments made by subsection (c) shall not apply to amounts paid before October 1, 1997; except that—

''(i) the amendment made to section 4261(c) of the Internal Revenue Code of 1986 shall apply to amounts paid more than 7 days after the date of the enactment of this Act for transportation beginning on or after October 1, 1997, and

''(ii) the amendment made to section 4263(c) of such Code shall apply to the extent related to taxes imposed under the amendment made to such section 4261(c) on the amounts described in clause (i).''.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

EXPRESSING THE SENSE OF CONGRESS REGARDING MEXICO'S ANTIDUMPING DUTIES

Mr. CRANE. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means be discharged from further consideration of the Senate concurrent resolution (S. Con. Res. 43) urging the United States Trade Representative immediately to take all appropriate action with regards to Mexico's imposition of antidumping duties on United States high fructose corn syrup, and ask for its immediate consideration.

The Clerk read the title of the Senate concurrent resolution.

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

Mr. EWING. Reserving the right to object, Mr. Speaker, I yield to the gentleman from Illinois [Mr. CRANE].

Mr. CRANE. Mr. Speaker, Senate Concurrent Resolution 43 expresses the sense of Congress that the government of Mexico should review carefully whether it initiated an anti-dumping investigation against United States exports of high fructose corn syrup in conformity with WTO standards. It urges the United States Trade Representative to take all appropriate measures with regard to the imposition of preliminary anti-dumping duties on U.S. exports of high fructose corn syrup.

These duties, which range from 61 percent to 102 percent, were imposed on June 25 as the result of a petition filed by the Mexican sugar industry. There is a question as to whether the Mexican Government adequately investigated if domestic producers of HFCS in Mexico are supportive of the petition. In light of the fact that United States corn growers and refiners, including many in my State of Illinois, are suffering the serious disruption of potentially prohibitive tariffs on their sales in Mexico, I urge my colleagues to support this resolution.

I also want to pay tribute to my distinguished colleague from down state, he is more corn country than I am, because of his active involvement in getting Senate Concurrent Resolution 43 reported over to the House.

Mr. EWING. Mr. Speaker, I am not going to object, of course, to this resolution being brought, but I want to thank the distinguished gentleman from Illinois [Mr. CRANE], the chairman of the Subcommittee on Trade of the Committee on Ways and Means.

Our colleague, the gentleman from Illinois, GLEN POSHARD, and myself have been most interested in seeing this resolution brought to the floor. I would just rise in strong support of the concurrent resolution, which talks about Mexico's recent decision to impose anti-dumping duties.

Prior to our adoption of the NAFTA treaty, duties on high fructose corn syrup were 15 percent. This year, under a negotiated agreement, they should have dropped to 9.5 percent. Duties now in effect because of this decision are as much as four to five times greater and above the pre-NAFTA level.

Mr. Speaker, this case involves both important matters of international trade policy and vital trade interests of the U.S. agricultural producers.

I would just like do elaborate for a moment. First, the preliminary findings of the Mexican Government were reached in what I believe is in violation of the World Trade Organization code on dumping investigation. The code requires that the government fully investigate allegations brought by private parties before opening government investigations.

In this case, it is my opinion that the Mexican sugar industry presented an inaccurate allegation and that there was no production of high fructose corn syrup in Mexico. I believe this to be wrong, and that the Mexican authorities should have known, if they did not, that it was wrong, and ignored their evidence that might have been available to them.

By itself this is grounds for dismissal of the case. Simply put, the Mexican sugar industry does not have standing under the WTO code to file this case, and the Government of Mexico chose to ignore that fact, for whatever reasons may have been expedient to them.

There is a second flaw. The Mexican authorities have failed to demonstrate that the high fructose corn syrup and the Mexican sugar are like products under the internationally accepted anti-dumping code. Beyond both the technical and the procedural flaws raised in the case, which should require its immediate dismissal, this action raises serious political and economic problems.

Mr. Speaker, I represent one of the four largest corn-producing districts in the U.S. Corn refining adds another $100 million to the value of the corn crop in my district, and I cannot stand idly by and allow others with whom we are trading to deny us access to their important markets. I hope that the Members will join me in supporting our corn farmers and processors, and send a strong message to the Mexican Government that we intend to defend the trading rights we have negotiated. I would ask for the adoption of this amendment.

Mr. EWING. I withdraw my reservation of objection, Mr. Speaker.

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

Mr. POSHARD. Mr. Speaker, reserving the right to object, I rise today in strong support of this concurrent resolution, which criticizes Mexico's recent decision to impose antidumping duties against U.S. exports of high fructose corn syrup.

Prior to NAFTA, duties on high fructose corn syrup were 15 percent and were to be phased out over 10 years. Duties now in effect as a result of the Mexican Government's recent decision are four to five times the pre-Nafta levels.

Mexico would like us to believe that their small sugar mills are being overrun by large U.S. corporations. In reality, however, a small number of individuals own a very large share of the Mexican sugar mills. It is interesting to note that these same individuals rely heavily upon U.S. financial markets to fund their goals in expanding markets. I would suggest to my colleagues that perhaps it is time for Congress to review whether or not we want our financial markets open to those who refuse to compete against U.S. products.

Mr. Speaker, Mexico's action against fructose violates the standards of the World Trade Agreement, of which Mexico and the United States are Members. Important issues of standing and injury have been ignored and the Mexican Government has failed to investigate allegations known to be false.

On procedural grounds alone, this case should be dismissed. However, in addition to its procedural and technical flaws, Mexico's action raises serious economic concerns for this Nation and for my southeastern Illinois district. The 1996 farm bill eliminated traditional price supports available to U.S. corn farmers and replaced them with a phased-down market transition payment. Farmers were told that they must generate their income from the market, particularly the growing international market.

Mexico's decision to impose antidumping duties on U.S. exports of high fructose corn syrup, if left unchallenged, represents in my judgment a breach of faith with Illinois corn farmers, who were assured of their right to pursue markets around the world.

My district is home to several large corn refining plants which provide direct employment for over 2,000 of my constituents. It is estimated that corn refining adds over $70 million to the value of the corn crop in my district. Last year, consumption of high fructose corn syrup represented a market for about 500 million bushels of U.S. corn.

Mr. Speaker, I cannot allow competitive U.S. products to be shut out of this critical market. I hope my colleagues will join me and the other gentlemen from Illinois, Mr. CRANE, and Mr. EWING, in supporting our corn farmers and processors, and send a strong message to the Mexican Government that we intend to defend the trading rights that we have negotiated.

Most importantly, I hope all Members will join us in sending a message to our farmers that we have not forgotten the promises of the 1996 farm bill and that the U.S. Congress will defend their right to export.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

Whereas the North American Free Trade Agreement (in this resolution, referred to as ''the NAFTA'') was intended to reduce trade barriers between Canada, Mexico and the United States;

Whereas the NAFTA represented an opportunity for corn farmers and refiners to increase exports of highly competitive United States corn and corn products;

Whereas corn is the number one United States cash crop with a value of $25,000,000,000;

Whereas United States corn refiners are highly efficient, provide over 10,000 nonfarm jobs, and add over $2,000,000 of value to the United States corn crop;

Whereas the Government of Mexico has initiated an antidumping investigation into imports of high fructose corn syrup from the United States which may violate the antidumping standards of the World Trade Organization;

Whereas on June 25, 1997, the Government of Mexico published a Preliminary Determination imposing very high antidumping duties on imports of United States high fructose corn syrup;

Whereas there has been concern that Mexico's initiation of the antidumping investigation was motivated by political pressure from the Mexican sugar industry rather than the merits of Mexico's antidumping law: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that—

(1) the Government of Mexico should review carefully whether it properly initiated this antidumping investigation in conformity with the standards set forth in the World Trade Organization Agreement on Antidumping, and should terminate this investigation immediately;

(2) if the United States Trade Representative considers that Mexico initiated this antidumping investigation in violation of World Trade Organization standards, and if the Government of Mexico does not terminate the antidumping investigation, then the United States Trade Representative should immediately undertake appropriate measures, including actions pursuant to the dispute settlement provisions of the World Trade Organization.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

APPOINTMENT AS CHIEF ADMINISTRATIVE OFFICER OF THE HOUSE OF REPRESENTATIVES

The SPEAKER. The Chair requests that Mr. Egan come forward and take the oath of office as Chief Administrative Officer.

Mr. Egan appeared at the bar of the House and took the oath of office, as follows:

Do you solemnly swear that you will support and defend the Constitution of the United States against all enemies, foreign and domestic; that you will bear true faith and allegiance to the same; that you take this obligation freely, without any mental reservation or purpose of evasion, and that you will well and faithfully discharge the duties of the office on which you are about to enter. So help you God.

The SPEAKER. Congratulations. You are now the Chief Administrative Officer of the House of Representatives.

RESIGNATION AS LEGISLATIVE COUNSEL AND APPOINTMENT AS LEGISLATIVE COUNSEL OF THE HOUSE OF REPRESENTATIVES

The Speaker laid before the House the following resignation as Legislative Counsel of the House of Representatives:

U.S. HOUSE OF REPRESENTATIVES,
OFFICE OF THE LEGISLATIVE COUNSEL,
Washington, DC, July 8, 1997.

Hon. NEWT GINGRICH,
Speaker, U.S. House of Representatives, U.S. Capitol, Washington, DC.

DEAR MR. SPEAKER: I would like to resign from my position as the Legislative Counsel of the House of Representatives effective July 31, 1997. I would like to continue my service in the Office of the Legislative Counsel as a Senior Counsel.

I will leave my position knowing that my Office is finally fully enabled to provide needed services to the House.

As you know the primary function of the Office is to draft legislation (including amendments and conference reports) which will carry out the policy of the Members involved. Ideally, there would be time for conferences to develop the policy and the persons responsible for the policy would be available. If that can be done it is very satisfactory work to participate in the process. I have taken a real interest in seeing that the Office is able to effectively do its work.

When I joined the Office in 1962 it had 11 attorneys and did not provide services to all the Committees. A good working relationship had been established with only the Ways and Means Committee and the Committee on Commerce. However, through time and the changes in the Committees, the Office has been able to establish good working relationships with all the Committees. Without a doubt, your actions and those taken by your leadership have facilitated the Office in providing services to the Committees and the Leadership. I think it can be said that the House does not act on significant legislation which has not been a responsibility of an attorney in the Office.

The morale in the Office is quite high because of the action you took on the pay comparability with the Senate and also on account of the Committee responsibilities.

The tutorial process the Office follows with new attorneys allows the new attorney to begin Committee work with a fellow attorney in about a year. When the new attorney graduates to Committee work they feel they have been given a special responsibility.

Now an attorney doing Committee work can readily feel that he or she is making a significant contribution to a public measure.

I am encouraged about continuing in the Office. The Office undertook an extensive audit of its work and the problems presented to it in carrying out its work. As a result of the audit some very interesting work has been developed in communicating our services to the Members. The Office has a web site which provides information about the Office and the services it provides. In addition, we will soon have the capacity to fax material directly from our personal computers. That will relieve us of the time needed to make copies and deliver the work. In addition, the Office has developed a team to mediate differences in the Office. Finally, work has been done in improving the working conditions of the clerical/administrative staff. Consequently, I think we are doing well and we know what our difficulties are and we are prepared to deal with them.

I have particularly enjoyed serving as the Legislative Counsel under your Speakership.

Sincerely yours,

DAVID E. MEADE,
Legislative Counsel.

The SPEAKER. Pursuant to the provisions of section 521 of the Legislative Reorganization Act of 1970 (2 U.S.C. 282), the Chair appoints Mr. M. Pope Barrow as Legislative Counsel of the United States House of Representatives, effective August 1, 1997.

The Chair would also like to thank Mr. Meade for his service to the House, and to remind all Members that the work done by the legislative counsels is absolutely essential to the job we do, and without the dedication and hard work and long hours of the legislative counsels, it would be literally impossible to have the legislative process that we now engage in.

☐ 1800

CONTINUATION OF NATIONAL EMERGENCY WITH RESPECT TO IRAQ—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 105–113)

The SPEAKER pro tempore (Mr. LAHOOD) 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:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the Federal Register and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice, stating that the Iraqi emergency is to continue in effect beyond August 2, 1997, to the Federal Register for publication.

The crisis between the United States and Iraq that led to the declaration on August 2, 1990, of a national emergency has not been resolved. The Government of Iraq continues to engage in activities inimical to the stability in the Middle East and hostile to United States interests in the region. Such Iraqi actions pose a continuing unusual and extraordinary threat to the national security and vital foreign policy interests of the United States. For these reasons, I have determined that it is necessary to maintain in force the broad authorities necessary to apply economic pressure on the Government of Iraq.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *July 31, 1997.*

DEVELOPMENTS CONCERNING NATIONAL EMERGENCY WITH RESPECT TO IRAQ—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 105–114)

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:

I hereby report to the Congress on the developments since my last report of February 10, 1997, concerning the national emergency with respect to Iraq that was declared in Executive Order 12722 of August 2, 1990. This report is submitted pursuant to section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c).

This report discusses only matters concerning the national emergency with respect to Iraq that was declared in Executive Order 12722 and matters relating to Executive Orders 12724 and 12817 (the ''Executive Orders''). The report covers events from February 2 through August 1, 1997.

Executive Order 12722 ordered the immediate blocking of all property and interests in property of the Government of Iraq (including the Central Bank of Iraq) then or thereafter located in the United States or within the possession or control of a United States person. That order also prohibited the importation into the United

States of goods and services of Iraqi origin, as well as the exportation of goods, services, and technology from the United States to Iraq. The order prohibited travel-related transactions to or from Iraq and the performance of any contracting support of any industrial, commercial, or governmental project in Iraq. United States persons were also prohibited from granting or extending credit or loans to the Government of Iraq.

The foregoing prohibitions (as well as the blocking of Government of Iraq property) were continued and augmented on August 9, 1990, by Executive Order 12724, which was issued in order to align the sanctions imposed by the United States with United Nations Security Council Resolution (UNSCR) 661 of August 6, 1990.

1. In April 1995, the U.N. Security Council adopted UNSCR 986 authorizing Iraq to export up to $1 billion in petroleum and petroleum products every 90 days for a total of 180 days under U.N. supervision in order to finance the purchase of food, medicine, and other humanitarian supplies. UNSCR 986 includes arrangements to ensure equitable distribution of humanitarian goods purchased with UNSCR 986 oil revenues to all the people of Iraq. The resolution also provides for the payment of compensation to victims of Iraqi aggression and for the funding of other U.N. activities with respect to Iraq. On May 20, 1996, a memorandum of understanding was concluded between the Secretariat of the United Nations and the Government of Iraq agreeing on terms for implementing UNSCR 986. On August 8, 1996, the UNSC committee established pursuant to UNSCR 661 (''the 661 Committee'') adopted procedures to be employed by the 661 Committee in implementation of UNSCR 986. On December 9, 1996, the Secretary General released the report requested by paragraph 13 of UNSCR 986, making UNSCR 986 effective as of 12:01 a.m. December 10.

On June 4, 1997, the U.N. Security Council adopted UNSCR 1111, renewing for another 180 days the authorization for Iraqi petroleum sales contained in UNSCR 986 of April 14, 1995. The Resolution became effective on June 8, 1997. During the reporting period, imports into the United States under this program totaled approximately 9.5 million barrels.

2. There have been no amendments to the Iraqi Sanctions Regulations, 31 C.F.R. Part 575 (the ''ISR'' or the ''Regulations'') administered by the Office of Foreign Assets Control (OFAC) of the Department of the Treasury during the reporting period.

As previously reported, the Regulations were amended on December 10, 1996, to provide a statement of licensing policy regarding specific licensing of United States persons seeking to purchase Iraqi-origin petroleum and petroleum products from Iraq (61 Fed. Reg. 65312, December 11, 1996). Statements of licensing policy were also provided regarding sales of essential parts and equipment for the Kirkuk-Yumurtalik pipeline systems, and sales of humanitarian goods to Iraq, pursuant to United Nations approval. A general license was also added to authorize dealings in Iraqi-origin petroleum and petroleum products that have been exported from Iraq with the United Nations and United States Government approval.

All executory contracts must contain terms requiring that all proceeds of the oil purchases from the Government of Iraq, including the State Oil Marketing Organization, must be placed in the U.N. escrow account at Banque National de Paris, New York (the ''986 escrow account''), and all Iraqi payments for authorized sales of pipeline parts and equipment, humanitarian goods, and incidental transaction costs borne by Iraq will, upon arrival by the 661 Committee, be paid or payable out of the 986 escrow account.

3. Investigations of possible violations of the Iraqi sanctions continue to be pursued and appropriate enforcement actions taken. Several cases from prior reporting periods are continuing and recent additional allegations have been referred by the Office of Foreign Assets Control (OFAC) to the U.S. Customs Service for investigation.

On July 10, 1995, an indictment was brought against three U.S. citizens in the Eastern District of New York for conspiracy in a case involving the attempted exportation and transshipment to Iraq of zirconium ingots in violation of the IEEPA and the ISR. The intended use of the merchandise was the manufacture of cladding for radioactive materials to be used in nuclear reactors. The case was the culmination of a successful undercover operation conducted by agents of the U.S. Customs Service in New York in cooperation with OFAC and the U.S. Attorney's Office for the Eastern District of New York. On February 6, 1997, one of the defendants plead guilty to a 10-count criminal indictment including conspiracy to violate the Iraqi Sanctions and the IEEPA. The trial of the remaining defendants is ongoing.

Investigation also continues into the roles played by various individuals and firms outside Iraq in the Iraqi government procurement network. These investigations may lead to additions to OFAC's listing of individuals and organizations determined to be Specially Designated Nationals (SDNs) of the Government of Iraq.

Since my last report, OFAC collected four civil monetary penalties totaling more than $470,000 for violations of IEEPA and the ISR. The violations involved brokerage firms' failure to block assets of an Iraqi SDN and effecting certain securities trades with respect thereto. Additional administrative proceedings have been initiated and others await commencement.

4. The Office of Foreign Assets Control has issued a total of 700 specific licenses regarding transactions pertaining to Iraq or Iraqi assets since August 1990. Licenses have been issued for transactions such as the filing of legal action against Iraqi governmental entitites, legal representation of Iraq, and the exportation to Iraq of donated medicine, medical supplies, and food intended for humanitarian relief purposes, executory contracts pursuant to UNSCR 986, sales of humanitarian supplies to Iraq under UNSCR 986, the execution of powers of attorney relating to the administration of personal assets and decedent's estates in Iraq and the protection of preexistent intellectual property rights in Iraq. Since my last report, 47 specific licenses have been issued.

5. The expense incurred by the Federal Government in the 6-month period from February 2 through August 1, 1997, that are directly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to Iraq are reported to be about $1.2 million, most of which represents wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the U.S. Customs Service, the Office of the Under Secretary for Enforcement, and the Office of the General Counsel), the Department of State (particularly the Bureau of Economic and Business Affairs, the Bureau of Near Eastern Affairs, the Bureau of International Organization Affairs, the Bureau of Political-Military Affairs, the Bureau of Intelligence and Research, the U.S. Mission to the United Nations, and the Office of the Legal Advisor), and the Department of Transportation (particularly the U.S. Coast Guard).

6. The United States imposed economic sanctions on Iraq in response to Iraq's illegal invasion and occupation of Kuwait, a clear act of brutal aggression. The United States, together with the international community, is maintaining economic sanctions against Iraq because the Iraqi regime has failed to comply fully with relevant United Nations Security Council resolutions. Security Council resolutions on Iraq call for the elimination of Iraqi weapons of mass destruction, Iraqi recognition of Kuwait and the inviolability of the Iraq-Kuwait boundary, the release of Kuwaiti and other third-country nationals, compensation for victims of Iraqi aggression, long-term monitoring of weapons of mass destruction capabilities, the return of Kuwaiti assets stolen during Iraq's illegal occupation of Kuwait, renunciation of terrorism, an end to internal Iraqi repression of its own civilian population, and the facilitation of access of international relief organizations to all those in need in all parts of Iraq. Seven years after the invasion, a pattern of defiance persists: a refusal to account for missing Kuwaiti detainees; failure to return Kuwaiti property worth millions of dollars, including military equipment that was used by Iraq in its movement of troops to the Kuwaiti border in October 1994; sponsorship of assassinations in Lebanon and in northern Iraq; incomplete declarations to weapons instructors and refusal of unimpeded access by these inspectors; and ongoing widespread human rights violations. As a result, the U.N. sanctions remain in place; the United States will continue to enforce those sanctions under domestic authority.

The Baghdad government continues to violate basic human rights of its own citizens through the systematic repression of minorities and denial of humanitarian assistance. The Government of Iraq has repeatedly said it will not be bound by UNSCR 668. The Iraqi military routinely harasses residents of the north, and has attempted to ''Arabize'' the Kurdish, Turcomen, and Assyrian areas in the north. Iraq has not relented in its artillery attacks against civilian population centers in the south, or in its burning and draining operations in the southern marshes, which have forced thousands to flee to neighboring states.

The policies and actions of the Saddam Hussein regime continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States, as well as to regional peace and security. The U.N. resolutions affirm that the Security Council must be assured of Iraq's peaceful intentions in judging its compliance with sanctions. Because of Iraq's failure to comply fully with these resolutions, the United States will continue to apply economic sanctions to deter it from threatening peace and stability in the region.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *July 31, 1997.*

GENERAL LEAVE

Mr. HOEKSTRA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the adoption of the Senate amendments to H.R. 408.

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

There was no objection.

AUTHORIZING THE SPEAKER, THE MAJORITY LEADER, AND THE MINORITY LEADER TO ACCEPT RESIGNATIONS AND MAKE APPOINTMENTS AUTHORIZED BY LAW OR THE HOUSE, NOTWITHSTANDING ADJOURNMENT

Mr. HOEKSTRA. Mr. Speaker, I ask unanimous consent that notwithstanding any adjournment of the House until Wednesday, September 3, 1997, the Speaker, majority leader, and minority leader be authorized to accept resignations and to make appointments authorized by law or by the House.

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

There was no objection.

GRANTING MEMBERS OF HOUSE PRIVILEGE TO EXTEND REMARKS AND INCLUDE EXTRANEOUS MATERIAL IN CONGRESSIONAL RECORD

Mr. HOEKSTRA. Mr. Speaker, I ask unanimous consent that today and tomorrow all Members be permitted to extend their remarks and to include extraneous material in that section of the RECORD entitled ''Extensions of Remarks.''

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

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY, SEPTEMBER 3, 1997

Mr. HOEKSTRA. Mr. Speaker, I ask unanimous consent that business in order under the Calendar Wednesday rule be dispensed with on Wednesday, September 3, 1997.

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

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment a joint resolution and a concurrent resolution of the House of the following titles:

H. J. Res. 90. Joint resolution waiving certain enrollment requirements with respect to two specified bills of the One Hundred Fifth Congress; and

H. Con. Res. 136. Concurrent resolution providing for an adjournment of the two Houses.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

CONTESTED ELECTION IN CALIFORNIA 46TH DISTRICT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. HUNTER] is recognized for 5 minutes.

Mr. HUNTER. Mr. Speaker, a contested election is a very difficult thing. It strains friendships, often friendships between Republicans and Democrats because we all have our political alliances and those are legitimate alliances, and we have our friends and we have our party loyalties and it makes sometimes for a difficult time when we have to decide who won a particular election. Sometimes these things become bitter and sometimes things are said that Members wish later they could have been left unsaid or have been retracted.

The contest between former Congressman, my friend, Bob Dornan and our gentlewoman from California [Ms. SANCHEZ] is not about those two individuals. It is not about Bob Dornan. It is not about LORETTA SANCHEZ. It is about something that is very near and dear to our Nation, to the basis for our democracy, and that is the principle of free and fair elections. Unfortunately in this election, as newspaper reporters uncovered, one organization registered to vote over 300 people. That one organization registered to vote over 300 people who did not have the legal right to vote. Those people who voted did not realize they were committing a felony when they voted. They were urged by political activists to do that, to vote.

I would submit to my friends on both sides of the aisle, Democrat and Republican, including our leadership, Hispanic American leadership in this country, that the real victims of this fraud in that particular part of Orange County were the people who were urged to vote, who were not yet citizens of the United States and who believed these proctors who came around and handed out ballot registration forms to them and said, it is your duty if you want to become an American citizen.

I am citing, I am paraphrasing what they gave back to investigators when asked why they registered to vote when it was illegal to vote. I would offer to my colleagues that they were the victims of this. They were exploited. They were demeaned. Everybody, every community in America should have an interest in having free and fair elections where fraud does not occur.

What happened following that was that a criminal investigation was started, is under way by criminal, by law enforcement authorities in California. A challenge was filed by Mr. Dornan. I want to go over very briefly what the litany of the chronology of actions by this House has been.

On May 14, the Committee on House Oversight subpoenaed the Immigration and Naturalization Service after months of failed attempts to receive information. House oversight asked the INS to perform a match between INS databases and the Orange County voter list. May 21, the Committee on House Oversight receives the INS computer matches. This constitutes a partial compliance with the committee subpoena.

June 13, the Committee on House Oversight receives a list of 4,119 potential matches identified by a computer review by the INS. June 23, the Committee on House Oversight requests that INS check an additional 1,349 persons identified by a manual review by House Oversight staff of INS documents.

June 24, the INS delivers to the committee 3,257 of 4,119 worksheets, summarizing their files. July 3, the INS delivers to the committee 503 more worksheets. July 9, House Oversight receives a list of over 3,000 potential matches between individuals who voted in the 46th Congressional District and individuals that declared that they were not citizens when summoned for jury duty. That means these people said, made written statements saying I am not a U.S. citizen and it appears that they voted. It appears that they voted in the election, and we are checking on that. I think that is a legitimate question.

July 18, INS delivers 500 more of the 4,119 worksheets; 100 remain outstanding.

July 30, INS produces 300 of the 1,349 worksheets. This investigation is ongoing. It is going to be completed hopefully over the break.

Everybody wants to see it end so we can figure out what happened in that congressional district. But one thing is very clear, enough of a criminal investigation has been done and enough good reporting has been done to show us that there has been some fraud in that district and at least enough to warrant an analysis of who won that election.

Only one thing should dominate our thoughts in this Chamber: That the person who got the most votes in this election from legal voters should win the election and should be seated in the House of Representatives.

The gentlewoman from California [Ms. SANCHEZ] wants to see this thing over and done with. I talked with Mr. Dornan a few days ago. He is tired of seeing himself smeared in the newspapers regularly by people who have brought the race card into this. He wants to see it over with. I think we can handle this in an evenhanded manner and make a term determination within a few weeks. Let us calm down this rhetoric. Let us do the analysis. Let us see who won the election.

SPECIAL TRIBUTE TO MERE BETHAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from American Samoa [Mr. FALEOMAVAEGA] is recognized for 5 minutes.

Mr. FALEOMAVAEGA. Mr. Speaker, I rise to honor the memory of a distinguished Pacific educator and judge the late Seuvaai ''Mere'' Tuiasosopo Betham, former director of education of American Samoa and an associate judge on the High Court of American Samoa, who passed away recently. A dedicated public servant, educator and administrator with more than 43 years of public service, Judge Betham was our first American Samoan woman judge on the High Court, a true pioneer who was also the first woman of Samoan American ancestry to be appointed as Director of Education. It is these and other firsts for which she will always be remembered by the Samoan people.

Judge Betham was someone who cared very much about each and every person she encountered in her personal and professional life. She was someone for whom I had tremendous respect. She was always courteous and helpful to me, firm and helpful to her students and fair and just with those who appeared before her in court. She always extended the hand of friendship. Although our careers never crossed paths, we nevertheless shared many similar concerns, and chief among these concerns was the issue of education in the American Samoa.

I learned from her how to make every person you encounter feel important, how to make every person feel that he or she, too, had something important to contribute to the process. She was the kind of individual who could put a hostile student or any other person at ease by making that person feel important and included in the process. Perhaps this is why she was so successful as a public servant.

Mr. Speaker, Judge Betham exemplified all of the traits of a true Samoan leader. She was decisive yet compassionate, firm and yet not inflexible, and she was a woman of wisdom. Most important of all, she was a humble person who remained close to the people. She served even after she was appointed to high government posts.

Mrs. Betham was born in 1932 in American Samoa. She received her elementary school education in the islands, graduated from the high school in 1950, where she was the only female to graduate with her first class. Shortly after high school, she left American Samoa to attend college in California. She enrolled at the Pomona College in Claremont and later transferred to Geneva College in Beaver Falls, PA, where she went on to receive her bachelor's degree in the field of economics in 1954.

After graduating from college, Judge Betham returned to the islands to begin her career as a secondary schoolteacher. She taught at a high school from 1954 until 1961, the year she was appointed assistant principal. Later on in 1968, she was appointed principal of the only high school then in the territory. Two years after becoming principal, Judge Betham was transferred to the Department of Education in which years later she became the first woman to earn the rank of the director of education. Judge Betham held this position for more than 11 years. In 1985 she retired from the department of education and Samoa's education system underwent major changes in teaching practices, philosophies during her tenure and bringing television as a tool or a means of assisting the educational system in the territory.

Even after she retired from the Department of Education, Judge Betham continued to be active in the field of education. As an educator, Mr. Speaker, Judge Betham touched many lives and she found such joy and pleasure in following the successes of her former students. As a judge, she touched equally as many lives as she found much satisfaction and comfort in making sure the result reached by the court was just and fair.

In closing, Mr. Speaker, I would like to offer my condolences to Judge Betham's husband, James Rusty Betham and her children. I am sure that the proud legacy which she left will live on in their hearts and in the hearts of all the people of American Samoa.

Mr. FALEOMAVAEGA. Mr. Speaker, I rise to honor the memory of a distinguished Pacific educator and judge, the late Seuvaai ''Mere'' Tuiasosopo Betham, former director of education of American Samoa and an associate judge on the High Court of American Samoa, who passed away recently. A dedicated public servant, educator, and administrator with more than 43 years of public service, Judge Betham was our first American Samoan female judge on the High Court, a true pioneer who was also the first woman of Samoan American ancestry to be appointed Director of Education. It is these and other ''firsts'' for which she will always be remembered by the Samoan people.

Judge Betham was someone who cared very much about each and every person she encountered in her personal and professional life, and she was someone for whom I had tremendous respect. She was always courteous and helpful to me, firm and helpful to her students, and fair and just with those who appeared before her in court. She always extended the hand of friendship. Although our careers never crossed paths, we nevertheless shared many similar concerns, and chief among these concerns was the issue of education in American Samoa.

I learned from her how to make every person you encounter feel important, and how to make every person feel that he or she, too, had something important to contribute to the process. She was the kind of individual who could put a hostile student or any other person at ease by making that person feel important and included in the process. Perhaps this is why she was so successful as a public servant.

Mr. Speaker, Judge Betham exemplified all of the traits of a true Samoan leader. She was decisive yet compassionate, firm yet not inflexible, and she was a woman of wisdom. Most important of all, she was a humble person who remained close to the people she served even after she was appointed to high government posts.

Seuvaai Mere Tuiasosopo Betham was born on April 3, 1932, in Pago Pago, American Samoa. She received her elementary school education in Tutuila and graduated from the High School of American Samoa in 1950, where she was the only female to graduate with that class. Shortly after high school, she left American Samoa to attend college in California. She enrolled at Pomona College in Claremont, CA. She later transferred to Geneva College in Beaverfalls, PA where she went on to receive her Bachelor's Degree in the field of economics in 1954.

After graduating from Geneva College, Judge Betham returned to American Samoa to begin her career as a secondary school teacher. She taught at Samoana High School from 1954 until 1961, the year in which she was appointed assistant principal. Even after she was appointed assistant principal, Judge Betham continued to teach because she wanted to remain close to her students. Seven years later, in 1968, she was appointed principal of Samoana High School.

Two years after becoming principal, in 1970, Judge Betham was transferred to the Department of Education's central office as an education program administrator, where a year later, in 1971, she was again promoted by the DOE to the post of deputy director. Just four short years after being promoted to the post of deputy director, in 1974, Judge Betham was again tapped by the DOE for another promotion, this time to the post of Director of Education. This appointment made her the first Samoan woman to earn this rank and the second Samoan American to undertake this tremendous challenge.

Judge Betham held this post for more than 11 years. In 1985, she retired from the Department of Education. Samoa's educational system underwent major changes in teaching practices and philosophies during her tenure, and local educators today credit Judge Betham for having revolutionized ''teaching'' in American Samoa.

Even after she retired from the Department of Education, Judge Betham continued to be active in the field of education. A short time after retiring from the DOE, she was appointed director of Catholic Schools. She served as director for several years until she was again called on by the government to serve as an associate judge on the High Court of American Samoa. Judge Betham was sworn in on April 17, 1991, a day which is very significant and special to the people of American Samoa. April 17 marks the date on which the United States first raised its flag over the Islands of American Samoa. The people of American Samoa celebrate the anniversary of this relationship every year on April 17, and it is the biggest holiday of the year.

As an educator, Mr. Speaker, Judge Betham touched many lives and she found much joy and pleasure in following the successes of her former students. As a judge, she touched equally as many lives and she found much satisfaction and comfort in making sure that the result reached by the court was just and fair.

In closing, Mr. Speaker, I would like to offer my condolences to Judge Betham's husband, James ''Rusty'' Betham, and her children. I am sure that the proud legacy which she left them will live on in their hearts and in the hearts of all the people of American Samoa.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. SOLOMON] is recognized for 5 minutes.

[Mr. SOLOMON addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

☐ 1815

SUPPORT HOUSE CONCURRENT RESOLUTION 121, REGARDING PROLIFERATION OF MISSILE TECHNOLOGY FROM RUSSIA TO IRAN

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

Mr. STRICKLAND. Mr. Speaker, I rise today to address a very serious issue related to the well-being of our Nation. Recently it has come to the attention of the Central Intelligence Agency that nongovernmental entities within Russia have participated in the proliferation of weapons of mass destruction to the country of Iran.

This specific trade practice threatens the security of the United States and our allies and, quite simply, it endangers our ability to maintain world peace. Furthermore, the advancement of weapons of mass destruction to Iran happens to be in violation of the Missile Technology Control Regime.

For these reasons alone, this trade between Iran and Russia must stop. As history illustrates, Iran has nurtured a reputation for terrorism and has consistently displayed open hostility toward United States' interests.

Although Russia has acknowledged previous weapons trade with Iran, the most extreme action they have taken to end the current proliferation of weapons of mass destruction is to initiate an investigation. As I see it, Mr. Speaker, an investigation does not adequately address this critical situation.

Nevertheless, Russia continues to enjoy foreign aid from the United States and the financial profits of trade with Iran. Russia is enjoying the best of both worlds at the expense of the safety of innocent victims who all too often fall prey to the hostilities instigated from Iran's terrorist regime.

We now have reached a point where agreements and investigations are simply not enough. It is time to eradicate the proliferation of weapons of mass destruction between Russia and Iran. Congress and the President should demand that the Russian government take steps necessary to stop all involvement, including the involvement of nongovernmental entities, in the disbursement of weapons of mass destruction, especially when the country of Iran is involved.

Furthermore, should Russia ignore our request, we must not simply disregard their failure to succumb to peacekeeping efforts, but rather, we must take the most serious and effective steps to end this dangerous activity and impose sanctions on the responsible parties.

House Concurrent Resolution 121 expresses congressional concern regarding the proliferation of missile technology from Russia to Iran, and I strongly urge my colleagues in this House to give their support to this worthy resolution.

TRIBUTE TO IRA POTTARD

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

Mr. REDMOND. Mr. Speaker, I rise tonight to pay tribute to a distinguished individual in New Mexico, Mr. Ira Pottard. He lives in Clovis, NM, and he is one of the last living Buffalo Soldiers of the U.S. Army. Coincidentally, he is celebrating his 75th birthday.

Mr. Pottard has reason to be proud of his accomplishments and his contribution to military history. The Buffalo Soldier horse cavalry units played an important but often forgotten role in our national defense.

Buffalo Soldiers attained their name while fighting in the Cheyenne War from 1867 to 1869. Native American warriors referred to the African-American horse soldier troops as Buffalo Soldiers because of their dark-colored dusty coats and the fearlessness which they showed in battle.

Until they were disbanded in 1945, Buffalo Soldiers fought to maintain law and order by guarding the western front of our Nation and pursuing outlaws and cattle thieves. They also played an important role in both World War I and World War II.

During World War II Mr. Pottard served in the Ninth Cavalry stationed in the Burma-India-China Theater. He later served the unit until it was decommissioned, which resulted in the end of a significant era.

At this time I ask my fellow Americans to join me and New Mexico in thanking Mr. Ira Pottard for his years of dedicated military service as a Buffalo Soldier.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. QUINN] is recognized for 5 minutes.

[Mr. QUINN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Hawaii [Mrs. MINK] is recognized for 5 minutes.

[Mrs. MINK 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 New York [Mr. BOEHLERT] is recognized for 5 minutes.

[Mr. BOEHLERT addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. HOUGHTON] is recognized for 5 minutes.

[Mr. HOUGHTON addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

ORDER OF BUSINESS

Mr. PALLONE. Mr. Speaker, I ask unanimous consent to proceed out of order with my special order now.

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

There was no objection.

INDIA'S INDEPENDENCE

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

Mr. PALLONE. Mr. Speaker, I would like to speak in support of House Resolution 157, which was passed by unanimous consent just a few minutes ago this evening.

It is a great pleasure for me to join with the people of India and the Indian-American community in paying tribute to the 50th anniversary of India's independence, which is one of the things that is mentioned in the House Resolution.

After years of determined and dignified struggle, the people of India finally gained their independence at midnight on August 14, 1947. That midnight hour, evoked by India's first Prime Minister Nehru in a stirring speech to the parliament, marked the beginning of an inspiring effort by the people of India to establish a republic devoted to the principles of democracy and secularism.

In the five decades since then, despite the challenges of sustaining economic development while reconciling her many ethnic, religious and linguistic communities, India has stuck to the path of free and fair elections, a multiparty political system, and the orderly transfer of power from one government to a successor.

Anyone who doubted India's lasting commitment to these values would have had to be converted into a believer in Indian democracy after witnessing the elections of the spring of last year in 1996. In what proved to be the largest exercise in democracy in world history, half a billion people voted to shape their country's direction heading into a new century.

The coalition governments that followed that election in the spring of 1996 have shown their commitment basically not only to democracy but also to representing the broad spectrum of the Indian population and continuing on the path of economic reform.

Although many Americans may not necessarily recognize it, there is a rich tradition of shared values between the United States and India. Just as the United States proclaimed its independence from the British colonial order, so was India born of the struggle for freedom and self-determination. India derived key aspects of its constitution, particularly its statement of fundamental rights, from our own Bill of Rights; and the Indian independence movement, under the inspired leadership of Mahatma Gandhi, had strong moral support from American intellectuals, political leaders and journalists.

In turn, Dr. Martin Luther King, in his struggle to make the promise of American democracy a reality for all of our citizens, derived many of his ideas of nonviolent resistance to injustice from the teachings of Gandhi. Thus, we see a clear pattern of Indian and American democracy inspiring and enriching one another at almost every historical turn.

I happen to be, Mr. Speaker, the founder and also now the cochairman of the Congressional Caucus on India, and I represent in my district in New Jersey one of the largest Indian-American communities in our country. I want to continue to work for stronger ties of friendship and cooperation between the United States and India, in part because we have such a legacy and we are the two greatest democracies.

It is an honor for me to pay tribute to India for 50 years of independence. I know there will be a number of events celebrating the 50th anniversary as we lead up to it in August over the next couple of weeks, some of them in Washington, some of them in almost every major city and a lot of other places in this country. So as we adjourn today in the House of Representatives, I think it is particularly fitting that we pay tribute to the 50th anniversary. Many of us will be joining in these celebrations over the next 2 weeks.

THE CONCLUSION OF A MOMENTOUS PROCESS

The SPEAKER pro tempore (Mr. HUTCHINSON). Under a previous order of the House, the gentleman from South Dakota [Mr. Thune] is recognized for 5 minutes.

Mr. THUNE. Mr. Speaker, it is a great privilege to be here this evening at the conclusion of such a momentous process. For the first time in 30 years we have balanced this country's budget. For the first time in 16 years we are bringing tax relief to the hard-working men and women and families of this country, and we are saving Medicare for the next generation.

These things are so inseparable from my whole objective in being a part of this process and my desire to seek this position in the first place. It was on a fundamental level, because I believe in those values.

And what a difference a Republican Congress can make. These are our values. When we start talking about balancing the budget and lowering taxes and saving Medicare and reforming welfare, those are the things for which we have stood.

The reason we have succeeded today in a bipartisan way, with the support of a lot of Democrats in balancing the budget and lowering taxes and saving Medicare, is because the other side has also figured out that these things are consistent with the values that the American people hold. The reason we were able to succeed in doing this is because the American people, very clearly, sent a message that they believe in a balanced budget, that they want lower taxes, that they want smaller government, that they want more freedom at home. And for the first time in a generation, we are sending more power and control back to the people of this country.

So this is an historic day, and it is a privilege to be a part of this process and be here when all this happens. It is the fulfillment of a goal that many of us have had. And as we look at the progress that we have made in achieving those goals, this has to be the cap stone.

Think about what we have accomplished and what we did today for the first time in a long time. We can talk about the intricacies of tax law, but it is really about people and it is about giving them more control of their economic future. In this Congress we have committed ourselves to doing just that.

When we look at the tax cut and the relief that will go back, and I have likened this in many respects to trying to drive a MACK truck through a car wash, because the gentleman from Texas, Mr. BILL ARCHER, the chairman of the House Committee on Ways and Means, and his colleagues on that committee, had an enormous and daunting challenge, and that is how to find some tax relief, how to take a small amount of revenue and make it go as far as we can in terms of bringing relief to the largest number of people in this country. I think they did that.

We could not afford to build a bigger car wash so we had to come up with a smaller vehicle, and yet the vehicle that we have has a tremendous number of things that will be important to the people in my State of South Dakota. I look at what this bill contains and I am delighted to be a part of this.

I think rural America will fare very, very well in the final analysis. There is death tax relief. My State of South Dakota consists primarily of small businesses and family farms, and we want to encourage people who are on the farm, people who are in those businesses to be able to pass those on to the next generation. This is an important first step.

There will be a health care deduction, deductibility for insurance premiums paid by self-employed people. That also is something that is very pro small business, very pro family farm. And a home office deduction for people who work out of their homes.

The capital gains tax relief. If someone sells a steer or a stock or a home, they will pay a lower rate. In fact, when they sell their home, and it fits within the criteria in this bill, they will not pay any capital gains tax. What a wonderful thing for the homeowners and the families of this country who are trying to pursue the American dream.

And of course education tax relief, the tax incentives that are in here to encourage young people, families, to get the higher education they need that will make us competitive and prepare us as we approach the 21st Century.

These are all things that help enable people to make the decisions that affect their daily lives, and it puts more freedom and more control, and it is a shift of power out of Washington, DC and back home. That is something for which I am, indeed, very, very proud.

If we look at where we have to go, this is an important first step. We have a long road ahead of us, but for the first time in a long time we have recognized how important it is that we take a portion of that which Washington takes from the hard-working people in this country and give it back.

I think there will be a lot of people taking credit for the way this bill has played out. We have heard a lot of discussion on the floor today about various components and parts of that, but take, for example, the family tax credit. The other side has claimed some amount of credit for that, but look at where that originated.

That was in the Contract With America in 1994 that the Republicans, before they were elected to Congress, signed on to. It is an important part of this final package, and it is something that will benefit a whole lot of families in this country, and I am glad that we were able to retain it in there.

We have started down a road on which we have a long ways to go before we reach completion in this battle, and one of the things that I hope to be a part of, as we continue that fight, is simplification of the Tax Code.

☐ 1830

One thing that we have done, if nothing else, we have, hopefully, at least started to lower the revenues and made Government smaller, the values that we believe in. But we still have an inordinately complex Tax Code which is in desperate need for simplification. And we have not done anything in this bill that in any way lessens the complexity in the tax bill.

So I hope that as we continue down the road that one of the priorities for this Congress, as we come back here in September, is to continue to bring additional tax relief, but also to come up with a Tax Code that makes sense to the American people who have to comply with that Tax Code. I am looking forward to being a part of that process.

Again, I want to thank my many colleagues who supported this bill today because it is an important first step and it is a critical step for the future of this country.

GRAND JURY PROCEEDINGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. CONYERS] is recognized for 5 minutes.

Mr. CONYERS. Mr. Speaker, Members of the House, earlier this week the gentleman from Tennessee [Mr. DUNCAN], a good friend and distinguished Member of the Congress, on the floor of this body, charged that the ongoing Federal grand jury investigation of the gentleman from Indiana [Mr. BURTON], chairman of the House Committee on Government Reform and Oversight, was a political prosecution and was brought because the chairman was trying to do his job. My colleague from Tennessee further accused the Attorney General of politicizing our system of justice.

I would like to examine those remarks for a few minutes to determine whether there is any foundation in these remarks. As the senior member of the Committee on the Judiciary, I have tried to follow the activities of the Department of Justice as carefully as I can, and I am trying to find where the Justice Department is politicized or whether it prefers, as has been alleged, to investigate and prosecute Republicans or in particular the chairman of the Committee on Government Reform and Oversight, the gentleman from Indiana Mr. BURTON.

The first thing I would bring to the attention of Members of the House of Representatives is that this Justice Department has prosecuted numerous Democratic Members, including Messrs. Rostenkowski, Reynolds, Bustamante, and Fauntroy.

And so, I am not sure whether it is fair or not to characterize the Department of Justice's conduct as politicized in the sense that the administration has acted in disregard of its legal obligation when the record to date is that the Attorney General has repeatedly exercised her discretion with very due diligence and has appointed repeatedly independent counsels to investigate prima facie allegations against this administration, its Cabinet officials, and others.

Now what kind of job the chairman of the Committee on Government Reform and Oversight is doing is not in my province this evening. But we are well aware of the objections that the campaign finances and investigation, that the chairman of that committee is conducting has had some problems. I refer particularly to the fact that the general counsel of the committee, who submitted his resignation earlier this month, has indicated that his resignation was based on the fact that he was unable to implement the standards of professional conduct he was accustomed to at the U.S. attorney's office.

In any case, it is not important how well or poorly the chairman may be doing his job. Right now I am concerned about the allegations being raised in his defense, which challenge the integrity of the Department of Justice in this instance. And I would suggest that it is a leap of faith to believe that the coincidence of the chairman's investigation followed by a subpoena of his records mean that the subpoena is a consequence of his investigation.

I do not know the scope of the grand jury that it is alleged concerns itself with his conduct, nor may I be privileged to know the scope. And I would refer the gentleman from Indiana and the gentleman from Tennessee to the Federal Rules of Criminal Procedure, rule 6(e), which quite carefully says no attorney for the Government can disclose what the grand jury is doing. It is at page 36 of the 1997 edition of the Federal criminal code and rules.

For the same reason, I do not know what evidence, if any, prompted any subpoena the grand jury may issue of the grand jury matters are secret in order to protect the person under investigation. For that reason, the Department of Justice may not comment on the scope of its investigation, nor may it publicly justify the legitimacy of the subpoena or its scope.

But the chairman has a remedy, or his counsel. They may challenge the scope and appropriateness of the subpoena.

I would close by pointing out that the gentleman can file a motion to quash or modify the subpoena and indeed he can challenge the entire grand jury proceeding in the Federal district court in which these grand jury proceedings is brought.

WELFARE REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas [Ms. JACKSON-LEE] is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Mr. Speaker, this has been quite a day. Sometimes in the heat of debate the clarity of what has been done has become more confused and a little less evident. So I think it is important today to clarify for the American people and for those who have worked so hard to drive the economic engine of this Nation to clarify for them that this legislation, this tax bill, this tax bill that was truly a creature of a bipartisan effort led by a President who never shies away from the Democratic principles that helped to elect him orchestrated.

It is a time, as well, to be able to applaud those who sat at the negotiating table and to recognize those of us who were soldiers on this floor who said that we would maintain the battle line to ensure that dignity would be given to those citizens who worked every day making $25,000 a year, $30,000 a year, $50,000 a year, and $75,000 a year.

It is important, however, that those of us who advocated that position, those Democratic principles for working men and women not be labeled as not understanding that it is business that adds to the economic engine, it is business which we foster under the capitalistic system that those around the world applaud and admire and try to emulate and imitate.

So it is important in this discussion to say a few things. One, it is valuable to acknowledge, as my colleagues have heard over and over again, the tax credit that will be given to families no matter what their income if it falls under, for example, $75,000. So a $20,000-a-year family making $8,000 maybe the spouse and $14,000 the other spouse, $22,000 they can get the tax credit for their children. The children of the working poor and working families are no less valuable than those making thousands and thousands and thousands of dollars. I am gratified for that.

We stayed on the battle line for that issue and it is very, very important. Then I would like to mention that I voted against the Republican welfare reform bill. Oh, not because I was not the advocate of all of those who want to raise themselves up, all the constituents in any district whose homes did not look as attractive as someone else, when I went to their homes and they were on welfare and they were dependent on public assistance. They said, ''I really want a job. I want to get out of this.'' But I was not going to vote for a bill that did not give child care, give job training.

And yet, now we have a tax bill that gives $3 billion to cities. We bypassed all the bureaucracy to help move people from welfare to work to help create jobs and yes an amendment that I offered in the 104th Congress to give tax incentives to those good employers who will take those people off the rolls and give them jobs, working mothers like I spent 30 minutes on the phone late at night. A mother who was on crack said, ''I simply want to work and show my daughter it can be done.'' She is going to benefit and the person who hires her is going to be benefit as well by this tax credit that will begin to those who hire former welfare recipients moving from welfare to work and the $3 billion to our cities will help them provide training and help them along.

My airline friends were in controversy, small airliners versus large airliners. There are thousands of employees. The airline industries over the years have become more and more prosperous. I am gratified that we tried to work something out, decreasing the ticket tax, and then sort of working with our international airlines.

But we are not finished yet. I will promise them that I will monitor this so that airlines like Southwest Airlines, that has been so good to Texas, can keep strong, and Continental Airlines and others can work together to keep this industry functioning. We did what we could in this bill, but I think the industry should recognize that we have got to work together on this.

I have studied England, a very small nation that has a No. 3 place in the world in terms of its economy based mostly on the transfer of money over the last couple of years. The reason they have that value in their nation with such a small number of population is because the English have learned to save.

I know America is a country of bounty and we have tended over years not to save. I am gratified that we can clearly point to now real incentives for Americans to save their money, to create savings accounts, to have IRA's, to ensure that those who are frugal and work and save will be able to handle their business well.

Mr. Speaker, as I close, let me simply say that this tax bill is good for small businesses, and Democrats made it good for them, and family farmers by $1,300,000 incentive on the family farms when they are passed on to families.

And lastly, let me commit myself to watching this tax bill so there is not an out explosion on the deficit, because we brought it down as Democrats by voting in 1993 for a budget bill. And as well, I commit myself to simplifying this process of filing your taxes so that Americans can continue to support this system that is based on capitalization and support a system that supports all of America.

DEFICIT AND THE BUDGET

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Michigan [Mr. HOEKSTRA] is recognized for 60 minutes as the designee of the majority leader.

Mr. HOEKSTRA. Mr. Speaker, tonight I come to the floor to celebrate the accomplishments that this House, in a bipartisan way, working along with the other body and working with the President, have accomplished really working over a period of the last 6 months, but really beginning the dialog after the last election, recognizing that we wanted to work together, that we wanted to make progress, that we wanted to address some major problems facing this country, and that we also wanted to get the deficit under control.

Today we passed the second piece of our major legislative package, the tax portion, which, combined with the spending portion, has moved us now, hopefully, the final steps towards getting to a surplus budget when the numbers come out. In the middle of August, I think we will see good news that the deficit for 1997 is going to be somewhere less than $50 billion, which is still a very large number.

As we start taking the look out at where we are going to be in 1998, the real possibility that we will move to a surplus budget in 1998, maybe 1999, but perhaps much sooner than the year 2002, which the bipartisan agreement set as its outside target.

☐ 1845

We have made significant progress. The exciting thing about reaching these milestones, saving Medicare, reducing taxes, moving forward, getting to a surplus budget, is that it really now does open us up to consider a number of other issues that we can talk about and we can talk about in the context of saying we have got a surplus budget, now let us talk about some longer range perspectives. We have gotten rid of that nagging problem.

We have shown to the American people that we are serious about getting our House in order, we are serious about making the tough decisions that this country needs to make and hopefully tomorrow, we were supposed to have it ready today to share with Members, we have compiled what we call a journal of ideas. I put this together and I developed this with my former colleague here in the House, Mr. BROWNBACK, but this is a journal of ideas.

It is intended to be a thought-provoking document, a journal that raises some of the issues and some of the topics that I believe we can now talk about in a very constructive way, talking about we have reduced taxes but we have not really done what we want to do with taxes which is, sure, more tax reductions, but we want to move forward now with an overhaul of the tax system. We need tax reform. I do not know whether it is a flat tax, whether it is a national sales tax, but we need something that is fairer and less complex and less intrusive on the American people than the current Tax Code and the current IRS.

This provides us with an opportunity to think about Social Security in new and different ways, to make sure that Social Security is solvent much longer than 2029 which it is currently projected at. We now have the opportunity to go back and take a look at ending corporate welfare. We can now make attempts to have serious discussions about real budget process reform, regulatory reform, campaign finance reform.

The journal of ideas also has some documents in here for some things that I really want to talk about and that I can have the opportunity to work on, which are education reform and workplace reform. These two items are tied very, very closely together. But as I take a look at education, earlier this year we began a process which we call Education at a Crossroads. We have really in that process agreed with our President, when the President said in 1996 that we cannot ask the American people to spend more on education until we do a better job with the money that we have got now or the money that we are spending now.

We have had a number of hearings around the country. We have been in New York, we have been in Milwaukee, Chicago, L.A., Phoenix, Louisville, Cincinnati, Little Rock. We have been around the country, along with hearings in Washington to ask some basic questions:

What is working in education today? What is not working? What Federal programs are working in education? Which ones are not? Our Federal education initiatives, are they fostering the type of change and creativity that we need at the local level, or are they barriers to helping our children get the kind of education that they need? The dollars that we send to Washington, are they helping our kids get the education that they need or are they being sucked up by a bureaucracy in Washington?

We know that as a Nation we are not achieving the kind of results that we would like to be getting. Some of our first hearings that we had in California in January of this year highlighted some of the problems.

We met with some college educators. People are interested in the young people who are graduating from our K through 12 system because they are receiving these children into higher education. When we met with them, the first thing they said to us is, ''Make sure you don't reduce or cut your remedial education dollars, your remedial education programs, the dollars that you are sending to higher education.''

And we kind of sat back and said, well, this is kind of interesting. These are kids who are getting into college, they have graduated from high school, and they are signing up for remedial education? In California it was 26 percent. We went to Arizona the next day and I said well, that is not bad, in Arizona it is 27 percent. These are kids getting into college.

We say, why do we need remedial education? These kids have been accepted and they are going to college. Twenty-six percent, 27 percent of them are functionally illiterate. What does functionally illiterate mean? It means that they cannot read and write at an eighth grade level.

I think we may be asking the wrong kind of question here, or perhaps proposing the wrong kind of solution. The solution here is not to provide more dollars for remedial education in high school or in college. The issue here is finding out what is going on in K through 12, why these kids are not getting the kind of education that they should be. Why are they not learning in K through 12?

Let us not put a Band-Aid on the system. As a matter of fact, let us not give an incentive to the colleges by saying the more remedial students they get, the more money they get. Let us go back and fix the problem.

Sixty-four percent of 12th graders do not read at a proficient level. SAT scores have dropped nearly 60 points in the past 3 decades. What other things do we see going on? Almost 20 percent of Americans, this is including adults, almost 20 percent of Americans are considered functionally illiterate. Thirteen percent are considered totally illiterate, reading and writing below the fourth grade level.

Between 1992 and 1994 our NAPE reading scores have not improved by more than 2 points. In 1992 United States 14-year-olds scored an average of 535 on a reading literacy test. Eight other countries achieved higher scores. Sixty percent of our 12th graders cannot read at a proficient level. The same thing for math, science and history. These are real problems and real issues that we are facing.

We have had hearings on literacy. As the experts come in and talk about the impact of Federal programs, and there is debate about what works and what does not work, there is one consistent message that comes out. If we do not improve our educational system, if we do not improve what we are doing and how we educate our children, we will face a crisis because we have too many of our children who cannot read, who cannot write. We do know that in today's workplace, in today's environment, if you cannot read, if you cannot write, if you are functionally illiterate, we will lose you as an individual, which is a tragic situation for the individual, but we will also lose you as a contributor to helping America be a better place.

That is what we are here to talk about. That is what we have been working on in our subcommittee. We want to talk about education, we want to talk about education at a crossroads, because we have to pick a path on which way we are going to go.

We are also going to talk about a new project which our oversight subcommittee is beginning, which is talking about the relationship between, if this is what is happening in education, how does that impact our future workforce, a workforce at an opportunity in the global economy where we should be more excited about the opportunities for American workers to maintain and achieve the highest standard of living of any workers in the world. But how do we face that, and what issues do we need to address? And how do we take the changes, the changes in technology, the changes in the type of skilled workers we need, the labor law that we have in place, Federal spending on job training and other job programs, how do we address that to make sure that we will continue to be and have the most productive workers in the world?

Our purpose in education, our purpose in the workforce is to really find out what is going on, where we are, where we are going, and outline a perspective of the types of policy changes that we need to have. This is an ongoing process. We are in the middle of the education process and we are in the beginning phases of the workforce project.

Let me outline some of the lessons we have already learned as we have gone through this process, and have gone around the country and have heard from parents and teachers and administrators at the local level. Some of this, much of it, is not that complex. As some of people listen to this, they will say, ''Wow, we know that,'' and it is kind of like, ''Yeah, I thought everybody here in Washington would understand that as well,'' but I am not sure. Just today in one of our committee hearings on literacy, we heard the need for more Washington involvement, more Federal Government involvement, perhaps even more Washington rules and regulations.

So there is a real contrast and a real conflict and a real contest of ideas here in Washington about how to improve education, whether we move forward in one way by increasing the control that Washington has on our local schools, or by saying perhaps that system does not work and we need a child-centered, I call it a child-centered approach versus a Washington bureaucracy approach. I think there are certain things that lead us to a child-centered approach.

Lesson one that we have learned from our site visits, not complex, parents care the most about their children's education. But there are those here in Washington that would argue with that point. We heard it today. They would say, no, it is more important, they may not say it that clearly, but they are implying that it is more important and that a bureaucrat perhaps cares more about a child's education than what a parent would. Parents care the most about their children's education.

In Los Angeles, we traveled to the Vaughn Learning Center where Dr. Yvonne Chan has blazed a bold new charter school. Here is a woman who was a principal in a public school, and she was frustrated by the process.

''As a public school principal,'' she said, ''I had to worry about the 3 Bs.'' In the hearing we asked, what are the 3 Bs? We know about the 3 Rs, but what are the 3 Bs? She said, ''As a public school principal, I had to worry about busing, budgets and buts.''

We understood the busing part, we understood the importance of meeting budgets, but we did not know what she meant by the buts. She said, ''Well, whenever I focus on my kids in my school and I see something that I think my kids need, and my kids may be a little bit different than the school down the street and my needs may be a little bit different, but I would go to the L.A. unified school district and I would say this is what I would like to do for my kids,'' because I am focused on my kids and I am focused on my kids learning. She said, ''Sometimes I would get the response that it is a good idea, Ms. Chan, but page 15, paragraph C, section 3 says you cannot do that, we cannot let you do it.''

Or it would be, ''That is a good idea, but if we let you do it, we would have to let everybody else do it. And then what would happen?''

And it was clear that when she was talking about educating and focusing on her children, the children in the school and what was best for them, she ran into another approach which was the bureaucratic approach, which was not focused on the kids but was focused on the rules and the regulations.

We saw the same kind of thing when we went to Phoenix. We saw the ATOP Academy, it is another charter school, serves mostly African-American students in an inner city area. It focuses on college prep courses, personal discipline. How do they go into this in a very tough environment and how do they make a difference with these kids?

For the kids to get into this school, parents are asked to agree to the following basic 5 points: Curtail the children's television viewing during the week. Secondly, spend 15 to 20 minutes on school nights reading to their children. Attend all parent-teacher conferences. Attend parental involvement monthly committee meetings. Participate in their children's classroom activities. The parents are required to have an up-front commitment and involvement in their children's education.

It is not only in Los Angeles, it is not only in Phoenix, but we have gone around and we have seen great programs in so many different cities, and it is very interesting what we hear when we ask teachers, parents, students, what is making this school successful? I have yet to hear it is Program ''A'' from Washington, or that what really made this school excel is when Washington came out with this program and told us what to do.

☐ 1900

Now it is when parents and administrators and teachers were given the freedom, the opportunity, to put kids first and not bureaucracy.

Awhile back we saw another initiative come forward from the White House. Lesson two is that good intentions do not equal good policies. Too often we see a problem, we create a program, put a nice name on it, give it some money and say, yes, we have fixed the problem. No, we have not. All we have done is created a program, gave it some money, gave it a nice name, and we have not necessarily fixed anything.

The Washington approach of good intentions not equaling good policies; this is the chart of good intentions. This is also the chart that demonstrates that we probably are not going to get results. What is this chart? This chart is the Washington response of good intentions trying to solve a very complex problem. What do all these lines and boxes and circles and different colors symbolize in these little boxes in here with numbers? Twenty-one programs, 3, 17, 2, 42, 15. What this is, is a compilation of the 760 Washington programs designed to help education.

And you say, boy, am I glad that we have an Education Department because when we have an Education Department, we can take these 760 programs and we know that they are going through one agency and they are going to be streamlined and coordinated, compliment each other, streamlined to the school districts and the States so that very easily this money flows from Washington, flows to the schools, flows to the classroom, and we really leverage where we need the money to be, which is in the classroom and with the teacher.

Wrong. We do not have one agency where 760 programs go through. We do not have 10 agencies. We have 39 different agencies that develop education programs, that develop criteria, they develop ideas, not always coordinated; most of the time they are not. As a matter of fact, as we had hearings in the Committee on the Budget, we asked different people in the administration as to where is the focal point for bringing these 760 programs together, to bring these 39 agencies together, and by the way, $100 billion? Where is the focal point for this? Is it Secretary Riley at the Education Department? Is it somebody else at another agency? And the answer came back, well, the focal point for 39 different agencies is exactly where you would think it would be. It would be at the President, the presidential level.

Now I think the President is a pretty bright guy, but I do not believe that with all of his responsibilities that he in the Executive Branch at that level can coordinate 760 different programs, and I do not necessarily think that we should ask him at that level to coordinate those programs.

So good intentions do not always equal good policies. I would argue, in fact, that too often good intentions in Washington equal bad policy. We have had so many good intentions, we have got a hundred programs in here that are not even funded. So we keep passing good ideas, we do not have the money or do not know how to get the money down to a classroom, but this is a bureaucracy that has gone out of whack. It just is not working.

As we take a look at this, the Washington mentality now says we know that we are not getting the kind of results that we want to get in the classroom, we need to fix this. If you believe the lesson of good intentions does not necessarily equal good policy, but that is the myth in Washington, that if we have got a problem, create another program, our kids are not learning, we are not satisfied with the results, what would you expect the response to be? The response would be, well, we must need more. If our kids are not learning, let us have a few more literacy programs.

We talk about the literacy issue. We now have some more suggestions about how to have literacy, spending perhaps up to $1 billion more for tutors. So let us put another agency in place, Corporation for National Service, put another program in place so we got 761, 40 different agencies, and put another billion dollars with it, and we got $101 billion. We have not asked the basic question as to why this $100 billion is not enabling our kids to read and learn what they should learn in the classroom, we will just say we will put tutors out there to help them after school.

And think about this process. Kids are not learning, so we need another program, we need another bureaucracy, we need to come up with another set of rules and regulations about what to happen in the classroom. Of course, we need $100 billion. So the taxpayers are going to have to work a little harder to send a little bit more money to Washington and to get a little bit more money and to keep their heads above water. Maybe we are going to have some more parents and some more families that are going to say, wow, we are getting stretched here, Washington needs some more money, maybe one of us ought to take a second job or ought to work a little bit longer, meaning that instead of a parent tutoring their child this parent is going to take a second job so that a tutor can come and take care of their child after school. More is not always better.

The fourth lesson that we have learned so far is education must be child centered. Too often we find that the education and the process is not focused on the child, but it is focused on the bureaucracy and the bureaucrats.

I shared with you this story about Mrs. Chan worrying about the ''buts,'' trying to do what she wanted and thought was necessary for the children and her school, but constantly running into the bureaucracy that said no, a bureaucracy that was not focused on the children and what needed to be done and recognize that for understanding what needed to go on in that school and what needed to happen with these children probably was best understood by the principal, by the teachers and by the parents associated with the kids in that school.

Fifth lesson, new spending equals new tax burden. Just talked about that a little bit. Every time we come up with a new program it equals new tax burden. The disappointing thing about our tax burden is I would love to believe that when we send, and tell you, that when we send a dollar to Washington for taxes that 98, 95, 93 cents made it back to the classroom, made it back to the teacher, made it back to the student. But that is not where it goes. The dollar goes through a whole series of different cycles. To get that dollar local school districts need to spend money to get that dollar back. We estimate that when you send a dollar to Washington, in that process of actually getting it back into a classroom and getting it back to a student, we probably lose about 30 to 40 cents. We do not know the exact number, but somewhere in the neighborhood of 30 to 40 cents of every dollar that comes to Washington, only about 60 to 70 cents of it ever makes it back into a classroom.

We think that is a problem. We think that that whole system, the whole system of 760 programs, 39 different agencies and a hundred billion dollars of spending means that when we walk across the street and we walk back to our offices we like to think that we are walking and crossing Independence Avenue. But when you have got 39 agencies involved in educating our children, 39 education agencies that are based in Washington, that really do not know the difference between what the needs are in my congressional district back in west Michigan versus the differences in New York City versus the differences in Miami, and when you have got 39 agencies in Washington doling out money, when you have got 39 agencies in Washington that are sending out rules and regulations, when you have got 39 agencies that are requiring paperwork and accountability back from local schools, that really what we have done is the street that we cross is called Independence Avenue.

But more appropriately, as we are talking about education, it is Dependence Avenue, that local school districts, local parents, State agencies are dependent on what happens in Washington rather than being independent to create and develop and solve the problems locally, learning from what other people are doing, understanding their needs and their own area and developing the solutions that work best for them.

Too often at the local level people who are involved in educating our children have been reduced to filling out paperwork, being and reporting back to Washington rather than back to parents. It is a problem that we need to work on, and you know, it really does get to be this is another which we prepared; we call it the Tale of Two Visions, and it very much applies to this issue of education. Is our vision a vision of Washington; we call it the vision of bureaucracy, or are we more attuned to what we believe is most appropriate, which is called a Vision of Opportunity?

We have gone around the country, and we have seen schools that are excelling, and it is not because of the bureaucratic vision, the bureaucratic vision that is symbolized by this photo of Washington, DC, but the vision of opportunity which we see as we have gone around the country, the vision of opportunity of parents, of teachers and administrators at the local level saying give me the opportunity and the freedom to educate these kids. I know their names, I know their needs, and I care more about them than anybody else in this country. I want them to excel. Give me the resources, but also give me the freedom to enable me to achieve the kind of results that every American child is entitled to. Do not take the money from my community, do not send the money to the IRS, do not send it into a bureaucracy that is going to suck up 35 to 40 cents of every precious dollar, taking it away from my children and feeding it into a bureaucracy.

That approach puts the Washington bureaucracy first and puts the child second. We need to flip that equation. We need the child Senate approach first asking why are not children learning before we propose new Washington solutions.

Recognize that perhaps some of the Washington solutions are part of the problem. Parents I do not think want to hear about a million new tutors. I think parents want to ask that basic question: if my kids in school 5½–6½ hours every day, why are they not learning in the classroom? Do not put an over lay Band-Aid on there. Help us solve the problem in the classroom. Take a look at why your federal programs are not working, and take a look at what we need to do to make the local system work and not the bureaucratic system.

Mr. Speaker, what we need and what we know in education is that it is time to act more wisely. We need to be smart. We cannot afford to lose our kids, we cannot afford to spend or send a dollar to Washington and only get 60 cents back to our children.

☐ 1915

I was with the Speaker last night and taking a look at a picture he has of Eisenhower looking at Utah Beach, and in 1945 we mobilized, we mobilized and we retook Europe.

What we need to do now is we need to put a major emphasis on saving our educational system, because we need to go out and we need to take and ensure that every child has the opportunity to learn and that we as a Nation cannot afford to lose a single child, which means we have to go back and we have to rethink some of the Washington assumptions.

We really have to rethink the issue about who cares most about our kids. Is it bureaucrats, or is it parents? If it is bureaucrats that care the most about our children, then let us empower bureaucrats. If it is parents, let us empower parents. Let us evaluate the assumption of good intentions. We have 20 years or more of good intentions in Washington and we have not seen improvement. We need to take a look at whether 760 programs going through 39 different agencies, spending $100 billion based in Washington is the best way to help our kids learn. We have to take a look at that assumption, and when we do that, we are going to have to make the decision.

If we believe this works and we still have problems, then the answer is very clear. If this is the way we go, we need more. We need more money, we need more programs and we need more agencies. Or, if we believe that maybe this does not work, we need to streamline this process and move power and authority and responsibility back to the local level, back to parents, and back to the States. We need to analyze the assumption as to whether education, to be successful, can be developed in a manual that says, here is the how-to; we can develop a bureaucratic approach, a bureaucratic how-to manual to help our kids, and if we go to the manual and if we understand the manual and if we follow the rules and the regulations of the manual, we will be able to teach our kids and our kids will learn. This manual will apply to Johnny and Sara and Billy and Brian and Aaron. Or, does every child need a personal development plan, recognizing that they have their own individual needs, individual skills, and there has to be a level of flexibility around that child about how the teachers and the parents and the administrators meet the needs of that child.

We spend more almost than any other industrialized country and we are getting disappointing results. We need to reevaluate this model of education.

What are the implications as we move forward? As we talked about this as a committee, we said, we have responsibility for education; we also have responsibility for work force development. What are the implications as we move forward and we recognize we have this growing group of people, kids coming through the system, who do not have the necessary basic skills perhaps to function in our economy. As a matter of fact, let us take a look at what the economy is, and that is what we said. We need to now go take a look at what the work force requirements are going to be in the year 2000 and beyond. What kind of economy are we moving into? Do we have an economy where kids who are functionally illiterate that they can move into and they can get good paying jobs, where they will be successful. We need to really examine that. The answer, as I think we all know, is no. Take a look at it.

Technology. We are in a rapidly changing environment where technology is just growing. That should be an opportunity for this country. We should not view that as a problem. It is an opportunity that we need to get our young people ready for; it should not be, well, we have these unskilled kids coming in, we better find a way so that they can deal with technology. No, it is a huge opportunity for them and for us as a Nation.

We need to take a look at what happens in terms of global competition. What is the impact of unskilled workers coming in? Will we have the ability to compete on a global basis? I sure hope so. Because the opportunities are tremendous. Markets are opening up around the world, and our workers right now are the most productive in the world, and that is where we want to keep them. So the new project which we have is we call it the American Worker at a Crossroad, building off of education at a crossroads, because we want to take a look at what their skill level needs to be, what the world market opportunities are going to be. Some of the labor law that we have today was developed in the 1930's and the 1940's. Is it still the appropriate model for labor law in the year 2000 and beyond.

We need to take a look at the Federal spending. We give the Labor Department $30 billion to $40 billion each year. We need to take a look at how they spend their money. How do Federal programs on job training work? Federal job training dollars work in such a way that we give people dollars after they lose their job. That might be okay when people are in one job for a long period of time, perhaps only one job their entire career, but in the new economy where perhaps people are going to be going through two, three, four job changes, significant career changes, where their skills need to change, it does not make sense anymore to have a Federal job training system in place that empowers people to learn after they lose a job. I think we maybe need to step back and take a look at how do we encourage and help people continually upgrade their skill levels as they are working so that they can move and evolve into new jobs.

We want education and workplace policies which will create the environment where the American workers can be the most productive, highest paid, and enjoy the highest standard of living of any worker in the world. I am excited about being able to combine the education with the work force project, because even though on education we need to be making changes soon, the work force project allows us a little bit of time to step back and to really take a longer range perspective on this and say, where do we want to be by the year 2010, and what types of changes do we need to be putting in place over the next 2, 4, 6 years, so that we can gracefully move to the changes and the environment that we want to have.

We know that the American education system is not the benchmark; we know that we need to improve that. We are creating a generation of American workers who are not equipped. We need to fix that problem. What we do know is that if we do not fix that, we are going to have some severe problems. But we are going to work on that and we are going to reassess all of these assumptions.

This also leads us to consider where we are going to go on the work force policy side. The changes need to be made. I flew here a couple of weeks ago and picked up a Detroit Free Press. The front page: Detroit is going to create, over the next 5 to 7 years, 133,000 new jobs, high tech, high quality jobs. Being from the State of Michigan, that is exciting. That should be a great story. It should be a great lead. It should be a great close: 133,000 Michiganites getting high pay, high quality jobs.

There is one problem. The thrust of the story was that we may not have the workers with the skills to fill those jobs. If we do not get those workers and develop their skills to be able to fill those jobs, what happens? That work will have to be done, and there is a good potential that those jobs will move somewhere else. They may not move somewhere else in Michigan; they may not move somewhere else in America, they may move somewhere else.

The job opportunities that we see evolving and developing in Detroit may not be filled by people from Detroit, they may not be filled by people from Michigan, they may not be filled by people from this country. If we do not develop the skills, we do not develop the people, those jobs may move and they may move overseas, and that is a problem.

So we need to create a climate where our young people are learning and where our workers who are working are upgrading their skills and are provided with the opportunity to constantly upgrade their skills.

I also want to talk just a little bit about what I think the new workplace may evolve into and what it may look like. I think we have to look very positively at the future for the American worker. We have to have an optimistic view and a vision of an empowered American worker. They are knowledge workers. They are going to have a great amount of skill and knowledge. They are going to be knowledgeable, responsive, and I think capable of helping their companies compete in a global economy. They will have unprecedented opportunities for personal growth. They will increasingly understand their responsibilities to their jobs, their corporations, to themselves and to their families, and I think they will have and recognize the need to constantly be upgrading their skills to take advantage of the opportunities of an ever-growing economy.

The empowered American worker will see global markets and global competition as an opportunity and a threat, recognizing that in 1997 the American workers are the most productive workers in the world, and that by the year 2010, rather than seeing that gap closing, we should see that gap widening. As we bring in technology, as we increase the knowledge and education of the American workers, as we invest capital and bring the appropriate equipment and machinery into place, as we invest in capital and human capital, we can increase the difference in productivity. As we increase that differential in productivity, it means that our workers will be more valuable and we can pay them more and they will have a higher standard of living.

I think the empowered worker who takes care of and sees responsibility for increasing their knowledge, who sees responsibility and opportunity and helping their companies grow and to meet the challenges of foreign competition, who sees global markets as an opportunity rather than global competition as a threat also need to create an opportunity where workers and management can come together.

As we have taken a look, those roles are very much less defined in 1997 than they were in 1947. There has been a coming together of management and employees and so often it is difficult now to tell the differences, so that we have to evolve and change labor law that enables them to work in a partnership and enables them to work in tame environments to meet the objectives of the corporations and of the individuals that are part of those corporations.

☐ 1930

We need to empower employees in very different working environments and work styles, some who are part time, some working at home, some where both parents or both individuals in the family are working, to recognize that they ought to have a whole series of opportunities to choose the work arrangements that they would like to have, the benefits that they would like to have so they can tailor their benefits and their work times and their work schedules to meet their needs and their family needs and their personal needs rather than the needs of the corporation.

It is one of the interesting things in today's society, today's work force, one of the most important ingredients and one of the things that they now measure leisure by, and one of the most important commodities to workers is the amount of leisure time that they get; how much time do they need to spend working to be able to meet their needs, to meet the requirements for their families.

What we have seen, we have seen that increasing. Families are under tremendous stress. Individuals are under tremendous stress because of the work requirements we put on them. We need to increase their skills and give them more flexibility and allow them to change their job arrangements so they have the opportunity to get more leisure time and spend more time with their families.

There is one other way to do that, which is what we did today. We lowered their taxes, which says rather than now spending some of your time to work for the Government, or actually spending a lot of time to work for the Government, we are going to lessen the amount of time that you work for the Government, and you can then decide to take that as perhaps more personal income. Or you can say rather than spending this time working for the Government, I am just going to have some more leisure time.

These are the kinds of issues that we are going to be studying and taking a look at over the coming months, continuing to aggressively pursue the education agenda, continuing to aggressively pursue an agenda which empowers parents, not bureaucracies; which drives toward focusing on the child; which gets dollars into the classroom, not into bureaucrats; focuses on the basics, the reading, the writing, and the math, not all the other extraneous things that go on in education today, but giving the kids the basic skills in K through 12; really putting them into a safe school, dealing with the basics.

We are going to challenge some of the Washington assumptions about what is good for education and what is good for kids. But it is a struggle, it is a debate. It is a wonderful debate, because as we go on through this process, whether we are in Little Rock, whether we are in Cincinnati, whether we are in the Bronx, we have seen kids in every part of society be able to learn. That is exciting. We see kids everywhere over this country who are empowered and are having the opportunity to learn.

It is kind of like when adults and when the bureaucrats and when Washington gets out of the way, man, watch these kids go. Watch these parents and watch these schools excel. When Washington gets in the way, whoa, watch out and see how things start to change focus.

We are going to focus on education. We are also going to do the same kind of thing in the work force, examining where we are, what the changes are, what opportunities the changes in our economy are going to bring, are going to appear, and how Washington at that point in many cases needs to step back and get out of the way so American workers, American companies can employ the skills and the energies that make America such a wonderful place, perhaps the most creative people on the globe, willing to take more risks, willing to take that creativity and that risk and to work hard. That is why we are the most productive.

So in some of these areas, we need to remove the barriers and let American workers and American companies excel. We are setting the standard today. We need to make sure that we recognize what our skills are, what makes us different, so we can step out of the way and let those skills and those differences bloom, so we can continue to lead the world because of the quality of American workers.

Those are the kinds of challenges we will take up when we come back in September. Those are the kinds of challenges that we can now get our hands around and have a constructive dialogue and debate, as we have kind of changed the shift. We are moving power back to the American people with the bills we have passed today, the bills from today and yesterday, by reducing taxes, by getting the deficit under control and hopefully being at a surplus budget within the next year or two.

We have turned the ship around by saying we are not going to keep moving more power to Washington and getting in the way. We recognize that there is a limit to the kinds of solutions and the extent of the solutions that Washington can bring, and we have come back to recognize the real beauty of America, which is individuals and freedom and opportunity and creativity and entrepreneurship.

We are going to get Washington out of the way, and we are going to go after some of these chronic problems. We are going to move forward. We are going to reassess some of the assumptions that we have had for the last 30 years of moving power to Washington as the way to solve the problems and saying maybe we have gone too far, and it is time to continue to move some of that power back to parents, to school districts, to move it back to workers and management at a local level, providing some wonderful opportunities.

That is why I think that the balance of this Congress and future Congresses, because we have that monkey off our back of the deficit, perhaps we have the monkey off our back of partisan politics, that we have now found a way to work in a bipartisan way, that we are going to have some great days in front of us. We are going to be able to pass some legislation and some new initiatives that really will start to address some serious, nagging problems.

If we do not address them, it will create some huge problems for us in the future. But if we address them, and we no longer have 30 percent of our kids going into college needing remedial education, just think, in 4 years if we went down from 30 percent needing remedial education, think about it; I do not even know how we as a society accept that today, K through 12 turning out 30 to 40 percent of our kids who are illiterate. How do we accept that? Just think, if in 5 years and 8 years we move that down to 5 percent, it is still too high, but boy, we will have come a long way.

Think of the energy, the positive energy and the positive influence that that will bring into our whole economy and our whole society if we raise the threshold from 70 percent literacy to 95, 98 percent literacy, and the positive benefits that we will all receive from those kinds of changes.

FURTHER MESSAGE FROM THE SENATE

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

H. Con. Res. 138. Concurrent resolution to correct technical errors in the enrollment of the bill H.R. 2014.

The message further announced that the Senate agrees to the report of the Committee of Conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2014) ''An Act to provide for reconciliation pursuant to subsections (b)(2) and (d) of section 105 of the concurrent resolution on the budget for fiscal year 1998.''.

IMPROVING CIVIL-MILITARY RELATIONS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Missouri [Mr. SKELTON]) is recognized for 60 minutes as the designee of the minority leader.

Mr. SKELTON. Mr. Speaker, when he was chairman of the Joint Chiefs of Staff, General Colin Powell often described the men and women he led as an exquisite military force. I do not believe he was overstating the situation. Soldier for soldier, sailor for sailor, airman for airman, marine for marine, the U.S. military today is as fine a fighting force as has ever been assembled, perhaps the best ever.

It is a force that is well trained and well led. It is equipped with modern weapons. It has worked hard to devise and implement a body of military doctrine that multiplies its effectiveness.

The military services are more and more able to work jointly to carry out their missions. It is, above all, a high quality force made up of well-educated, carefully selected, disciplined volunteers. When called upon, the members of this force have served with as much bravery and distinction as American soldiers ever have.

A large part of the reason for this exquisite character of this force is that it is comprised of professionals. As virtually all senior military officers now acknowledge, the all volunteer force, or AVF, that was instituted in 1973 has been a remarkable success.

The all volunteer force, to be sure, took some time to fulfill its promise. In its early years the all volunteer force was plagued by a host of difficulties. Like the country as the whole, the military had to recover from the fissures of the Vietnam era, and adjust to sweeping cultural changes as the baby boom generation grew up.

Both the country and the volunteer force got through it. Nurtured by a cadre of military leaders that matured after the war in Vietnam, the all volunteer force today has shown, first, that a high-quality personal military force can be recruited and sustained by a democratic Nation, and second, that a professional force can exploit modern technology and carry out an extraordinarily broad range of military missions with great loyalty and dedication.

One of the concerns that people had when the all volunteer force was instituted, however, seems to me to deserve some additional attention today, especially as the country makes a transition from the Cold War era to a new period in world affairs. This is the issue of civil-military relations, by which I mean the relationship between the professional military force and the broader society from which it is drawn and which it serves.

Let me be clear at the outset that I am not worried about a loss of civilian control over the military. On the contrary, it is built into the very fabric of the U.S. military to be dedicated to the defense of democratic institutions.

I am only slightly more concerned about the supposed politicization of the military, a situation in which many members of the Armed Forces feel themselves at odds with their elected and appointed leaders in the executive branch. Though this could become a problem, it is incumbent on senior officials in the executive branch and on senior officers in the military to prevent a serious rift from growing.

What I am mainly concerned about is that the professional military may be becoming more and more isolated from the rest of society, to the detriment of popular understanding of the needs of defense. The result will not be the evolution of a rogue military force, but rather, the loss of public support for necessary military preparedness.

Indeed, for most Americans, the military is an institution, as a rule, simply off the screen, unless an international crisis develops, or some military scandal gets on the front pages. Because the military is off the screen for most Americans, it is also increasingly off the screen for Congress.

The solution to this problem, it seems to me, has to be addressed mainly by the military itself. Above all, the military has to try harder to establish and maintain better ties to the communities in which it works.

Mr. Speaker, the reasons for a gap between the professional military and the rest of society are deep-rooted. For most of American history the peacetime standing army was very small, and sometimes quite isolated. After World War II and the Korean conflict, that changed. For the first time in peacetime, the United States maintained a large standing army, with the bulk of its personnel provided through conscription. As a result, a large part of the male population had direct experience in the military, and, in almost every American family, someone had served.

☐ 1945

Moreover, millions of Americans continued their direct involvement with the military after active duty by serving in the National Guard and Reserves.

At least until the war in Vietnam, the large standing force and the draft enjoyed widespread public support. Indeed following World War II, our sense of identity as a Nation involved pride in the global role that our military played in preserving peace. Service in the military was accordingly also a matter of pride. It was a way of serving the Nation as a whole. Pride in the military was a fundamental element of our social and political makeup. Moreover, a key result of the draft was that the service in the military cut across cultural, socioeconomic and regional lines. It was, therefore, an important source of national unity.

Perhaps the most lasting damage caused by the war in Vietnam was that it reversed the unifying effects of military service and aggravated social divisions. The children of the economically and educationally better off often avoided service in the military during the Vietnam War while the children of less privileged families were called up and sent to fight. This left a social and cultural gash across the country which has never completely healed.

The decision to abandon conscription after Vietnam was necessary and ultimately good for the military. The all-volunteer force has been a success, but it has come at a price in civil-military relations. Now the number of people with military service has declined steadily over the time. Many, both within and outside the military, regard the professional military force as something different from the rest of society. As a Nation, we have slowly lost our sense of the military's global role and of service in the military as a key part of our national identity.

In the meantime, public attitudes toward the military have evolved over the years, largely for the better but also in a way that is more difficult to discern, partly for the worst.

After Vietnam many Americans looked on the military in a negative way, even many who supported a strong defense were disdainful, wrongly, I think, of the military's performance in the war while others distrusted anyone in uniform. During the 1970's, military leaders, to their ever lasting great credit, resolved to fix what was broken and to make the new all-volunteer force work. But it was a task made all the more difficult by budget constraints and by hurdles to recruiting top-notch people.

A turning point in public attitudes, I think, came in 1980, with the failure of the Iran hostage rescue mission in Desert One. After that many Americans resolved never again to allow the Nation to be in such a position of apparent weakness. Public support for the military grew dramatically stronger and with public support a rejuvenated officer corps was able to bring to fruition the developments in doctrine, education and training, weapons technology and jointness that had been initiated in the darkest days after Vietnam. The result was a string of military successes, though not without some shortfalls along the way, culminating in the American led victory of coalition forces in the Persian Gulf War. The outpouring of popular enthusiasm following the war was heartening, especially to those who had worked to rebuild the military after Vietnam. General Schwartzkopf said for him that the public reaction to the Persian Gulf War finally healed the psychic wounds he had suffered with ever since Vietnam. It was a moment of national unity that recalled for me the closeness between the military and the public that those of us in the post-World War II generation grew up with. But it is not quite the same.

The difference, I think, lies in the lack of deeper understanding between the professionals who serve in the military and the public that admires the military but does not fully identify with it. The danger is not that any significant part of the public distrusts or disdains the military, as was the case after Vietnam, but that the public does not really know what it is like to serve in the military and therefore neglects things that are necessary to keep the military focused and strong and effective.

Many symptoms of the civil-military gap are apparent. Recently Tom Ricks, an outstanding military affairs reporter for the Wall Street Journal, wrote an excellent article in the Atlantic Monthly entitled The Widening Gap Between the Military and Society. He began by relating interviews with young men and women who had recently begun military service. Overwhelmingly their reaction on returning home for visits was a sense that the military was in many ways different from and, most importantly, better than the civilian world that they had left behind. Repeatedly his respondents cited public disorder, lack of discipline, drug and alcohol use, sloppy appearance, a lack of direction among former peers and a score of other flaws in civilian society.

Ricks acknowledged that the results were due in part to the fact that the military services trained new recruits to have a sense of uniqueness as an aspect of pride in their service.

He sees something deeper in the sentiments of these military recruits, and I agree with his conclusion, that the military increasingly sees itself as apart from and in many respects better than the society it protects. For my part, however, I have been concerned less with the implications of military perceptions of civilian society than with the implications for civilian perceptions of military society.

One implication is this, in the long run a military that sees itself as a cultural elite will at best foster misunderstanding and at worst create public resentment. At the very least, the public will begin to regard unique features of military life as somehow peculiar. Consider the recent public reaction to cases of adultery in the military. From the military's perspective, rules against adultery are not simply a puritanical anachronism. Rather, they follow from the critical requirement that members of the services refrain from activities that undermine good order and discipline. Good order and discipline are essential to a system of command that must be effective when matters of life and death are at stake. That rules against adultery are enforced in some cases and not in others is not necessarily a result of preferential treatment. Rather, the rules are enforced when good order and discipline are threatened.

To many civilians however, these notions are entirely alien. The military for its part has not done a good job of diffusing the sensationalism of much reporting about the issue in part, I believe, because it has not thought it necessary to explain why and how its rules must be unique. For many in the military, it was sufficient to say simply that we have a higher and better standard.

Another symptom of the civil-military gap lies in the sense of grievance that some members of the military services harbor about various issues that affect them. As those who served in the military in the past always knew, it is a deep rooted and innate feature of military life to gripe about almost everything. The old comedy series Mash is as much about the apparent arbitrariness of life in the military and constant griping about it as anything else.

Today, however, there is often something deeper in the complaints in the ranks. Often people in the military today feel that they are being made objects of social experimentation because of sexual integration, rules against sexual and racial harassment or even changes in health care for military dependents and other measures. In fact, the military has done an excellent job over the years in responding to changes in social norms.

Witness the relatively successful racial integration of the military compared to the rest of society. For good or ill, the military is never going to be insulated from battles over changes in social relations, including relations between the sexes. These changes will necessarily create frictions. But if the military feels itself as somehow unique, as if it should be insulated from these social changes, then the battles themselves will be unnecessarily destructive both within the military and between civilians and the military.

To be sure, there is much for service members to feel aggravated, if not aggrieved about. For my part, I believe the current pace of military operation is putting too much of a strain on military families. I think the solution is to be more selective in committing forces abroad and to maintain an adequate force structure. But legitimate complaints from within the ranks will be unnecessarily divisive if the civil-military gap does not narrow.

Solutions to some of these problems cannot be found solely within the military. For their part senior civilian officials in the executive branch must constantly be aware of the need to prevent the gap from growing wider. For its part, the Clinton administration deserves some credit for working so hard at this when its relations with the military could easily have soured.

Early in the administration, the conflict over gays in the military, apparent disrespect for military officers among some younger White House staff members and I believe, most importantly, a failure to be clear on the military role in Somalia, all created a potentially disastrous lack of trust to develop within the military.

Secretary of Defense Perry, especially, did much to reduce the tension, above all with his focus on the quality of life of people in the service. Moreover the administration has learned that the use of military force abroad must be thought through carefully. In Haiti, in Bosnia, whether one agrees with the mission or not, it is clear that the administration worked to define the goals of the military actions carefully. I am still concerned that the administration is asking too much of people in uniform but at least it is not lightly taking risks with the lives of military service members.

Congress also has a role to play in keeping the civil-military gap in check. Perhaps most importantly it is incumbent upon Members of Congress to seek consensus on social and political issues that might otherwise have a polarizing effect within the military. I think we have done a good job of that in recent years.

For the most part, however, I do not believe the military can look elsewhere to narrow the civil-military gap. Instead it is incumbent on the military leadership to work at reducing this civil-military gap as assiduously as it has worked at leadership development, recruit training, doctrinal improvements, jointness or other key aspects of organizational management. The public is not going to become more understanding of military concerns and the military requirements on its own, rather, the military itself must reach out to the public to create better understanding, even among those who have never served in the military. In carrying out this responsibility, there are several things the military should continue doing and some things it should do much better.

One thing it must continue doing is to educate its own leadership in civilian affairs. One thing that is especially striking to me is the growing portion of the military, both officer and civilian, that comes from military families. According to Professor Eliot Cohen of the Johns Hopkins School of Advanced International Studies, roughly 25 percent of the current force comes from families of service members. This is a startling figure which suggests that the professional military could in time become almost a separate caste unless measures are taken to broaden the experience of military service members to include educational, cultural and social contacts within the civilian community.

I am also struck by the fact that an increasing proportion of the officer corps is being drawn from the military service academies relative to the proportion from ROTC or officer candidate schools. According to a recent Congressional Research Service report, if we exclude officers serving in the health care professions, chaplains and some other categories, about 22 percent of the officer corps in 1995, was comprised of graduates of the military academies, a dramatically higher portion than in the past, when ROTC and OCS sources were relatively greater sources of officers.

Among general and flag officers the proportion from the service academies is even greater, about 36 percent in 1995. I would not suggest because of this that we close or significantly reduce the size of the academies. I do think, however, that it becomes more and more imperative that as a military officer advances, he or she receive education in nonmilitary institutions and that military training institutions make it a point of broadening the intellectual and cultural perspectives of their students.

☐ 2000

Most importantly of all, I believe that the military must take steps to ensure that the military commanders are held accountable for building much better relations with the civilian community.

In my own experience representing a congressional district with large military bases, I know that some military officers are excellent at community relations and others are not. Increasingly there is no substitute for having commanders who are good at it. Even the most mundane community activities are profoundly effective in building public identification with an understanding of the military.

Participation in Lion's Clubs, sponsorship of Little Leagues, and of Boy and Girl Scout Troops, involvement on school and other similar affairs are essential. Community relations should be made a prominent factor in officer efficiency report ratings that determine whether an officer will be promoted.

Military leaders should also vastly expand programs to educate civilians about the military. There should be many more opportunities for civilian community leaders to visit military facilities and interact with military personnel.

One final step is also critically important, and that is for the active duty Army and the National Guard relations to improve. National Guard and Reserve troops are truly a national treasure for the simple reason that they remain true citizen soldiers.

Relations between the active duty force and the National Guard and the Army, however, are laden with distrust. This rift must be healed. The active Army leadership must work on ways to integrate the Guard forces into military plans, and must genuinely rely on the Guard as a key element of the force.

Mr. Speaker, the professional U.S. military force of today is by every measure the best in the world and perhaps the best in history. It is, however, a difficult matter for democracy to maintain a large professional military establishment. To make it work requires that military leaders pay serious attention to the social and political issues that arise.

Both the military and the society as a whole will greatly benefit from the military leadership if the military leadership works more assiduously to prevent a widening rift from developing between civilian and military societies.

A LOOK BACKWARD, A LOOK FORWARD

The SPEAKER pro tempore (Mr. HUTCHINSON). Under the Speaker's announced policy of January 7, 1997, the gentleman from California [Mr. SHERMAN] is recognized for 60 minutes.

Mr. SHERMAN. Mr. Speaker, as probably the last Speaker of this session, at least that portion of the session before we go back to our districts for the summer, I am grateful to have this opportunity to speak tonight.

I know we are all anxious to go back to our districts, and yet we ought to reflect a little bit on some of the things that have gone on in this House over the last 6 months. I am especially grateful for a sufficient amount of time to review these events, because during more hectic parts of our legislative business we are recognized for 1 minute or for 2 minutes, which is often not enough time to go even into one topic, and I have several topics I would like to address.

I know that very few of my colleagues are here in the Chamber. I expect that many are back in their offices finishing things up, perhaps watching these remarks on C-SPAN or cable, and I really have not had a chance to introduce myself to all of my colleagues, only most of them, so I would like to take a minute to do that.

I represent proudly the 24th Congressional District in California, which goes from Northridge on the north to Malibu on the south. That is why FEMA is my favorite Government agency. From the Northridge earthquakes to the other problems that we have had, certainly we have had more than our share of disasters, we have experienced superb help from that agency.

In addition, my district goes on the west from the city of Thousand Oaks in the Conejo Valley into the east to the city of Los Angeles, as far east as America's best named town, Sherman Oaks, CA.

I never expected to be in this House, and for those of my colleagues I have yet to meet and explain my story, I will take a minute to do that.

I began my career over 20 years ago as a CPA. And after a while, my friends got together and said, ''Brad, you need to find an occupation held in lower public esteem,'' so I went to law school. After 3 years of Harvard Law School and 10 years of practicing business law, these same friends got together and they said, ''Brad, for anyone else we know, law would be low enough, but you must find an occupation held in even lower public esteem.''

They spent some time trying to think of what it might be, and they decided that I had to find some unique combination of occupations held in low esteem. In my State we have an elected tax commission called the State Board of Equalization. With their help, I ran for that board, and for 6 years I was simultaneously a politician and a tax collector.

Those of my friends in California who are already lawyers and aspire to be held in even lower esteem might examine the opportunity of running for the Board of Equalization next year.

These same friends gathered together last year, when our Congressman was retiring, and perhaps they thought that coming to this House would be an occupation held in even lower public esteem than being simultaneously a politician and a tax collector. This year we have proved them wrong.

This year my occupational self-esteem is on the rebound, because while last Congress was noted for deadlock and division, so far in this Congress we are noted for working together, sometimes with some acrimony, sometimes with some division, but eventually coming together in a bipartisan spirit, in a spirit that gives America the government that America voted for last year, a government of the vital center; government not catering to a right wing or to a left wing, but rather balancing those wings with policies that make sense.

It is in that spirit that I would like to review our last 6 months and take a look at the next several months of Congress that will be reconvened this September. I would like to look first at one bill that I have introduced, that I hope people around the country will bring to the attention of their Members of Congress and their Senators, because when people come back in September I would like to have hearings on this bill and I would like to see it pass.

After I review that bill, I would like to review my own efforts on the Committee on the Budget and the Committee on International Relations. But first I would like to address that one piece of legislation, and that is the Child Protection Act of 1997.

There were 425,000 children sexually abused last year. It is time for the Federal Government to do everything possible to protect our children from sexual predators. A good idea came out of California that I would like to see adopted on a national basis, and that is the idea of providing parents with the information they need about adults who may be coming in contact with their children because of their proximity or occupation.

In California there is a 900 number that parents can call, and if they have very specific information about an individual, can ask whether this individual has been convicted, not merely arrested but convicted of a sexual predatory offense. Making use of the data base required by Megan's law, officials of the California attorney general will advise parents whether that person has been convicted.

In fact, there have been 11,000 inquiries to this line and on over 1,000 occasions parents, those who administer day care programs and others with a legitimate interest have been advised, told on over 1,000 occasions that the individual that they were concerned about had, in fact, been convicted of a sexual predatory offense.

For example, there was an amusement park that noticed that an individual would show up by himself every day, would often be talking to children and striking up what appeared to be friendships, and that this individual had purchased a year-long pass, but never came with a child to this amusement park that catered to children.

They checked on this individual and found that the person who had purchased a year-long pass to the amusement park had, in fact, been convicted of a sexual offense involving a child under 14 years of age.

In another circumstance, a parent was concerned about someone who wanted to serve as the new Little League coach, and discovered that that person had been convicted in 1990 and again in 1992 of child molestation.

This system in California works well, but it suffers from two limitations: The data base is statewide and only parents in the State can use it. This line and database should be nationwide. Parents in California who call should be able to get information about convictions that occurred anywhere in the United States. And, likewise, this service ought to be available to parents from Maine to Arizona, not just to those in California.

So I ask my colleagues who may be listening to consider cosponsoring the Child Protection Act of 1997. Already 28 of my colleagues from both sides of the aisle and from all parts of the country, have cosponsored this legislation.

And to those who are watching at home, the next month will be an outstanding opportunity to interact with your own Senators and your own Representatives and, I hope, urge them to support the Child Protection Act of 1997.

With that, Mr. Speaker, I would like to address the work of the various committees that I have been privileged to serve on. The first of these is the Committee on the Budget.

First, I would like to review how it is that well before the deadline and surprising all the skeptics, first the Committee on the Budget and then the House overwhelmingly adopted a bipartisan budget plan for this Nation which balances the budget by the year 2002 and makes sure it remains balanced for at least 5 years thereafter.

Credit must go to prior Congresses because they adopted a fiscal policy for this country and supported the Federal Reserve Board in a monetary policy that has given us unparalleled economic growth, an economic recovery that is the longest in the post-World War II era.

☐ 2015

They did their job. As a result, just a few months ago, in predicting the future economic developments of this country, the Congressional Budget Office was able to tell us that they expected $45 billion of additional unexpected tax revenue not only in this year, but in each of the next 5 years.

Our reaction to that news was calm. And we deserve credit, both Democrats and Republicans, and I am particularly impressed by my colleagues, in the mature reaction that we had to that wonderful discovery. Because all around the world, developed countries are running huge deficits because they are slashing taxes on the one hand and coming up with very expensive government programs on the other.

The European Union is trying to create its own European currency, but they decided to do that only when the countries involved are able to reduce their deficit to 3 percent of gross domestic product. We in the United States, even before this budget deal, reduced our deficit to well less than 1 percent of our gross domestic product.

In fact, looking around the world at the developed countries, the only countries that meet the European Union's standards for a new currency are Luxembourg and the United States and arguably Cyprus. Perhaps the United States and Luxembourg should create our own currency, because the rest of the developed world has not mastered the fiscal discipline displayed in this House. The most important thing we did this week is that we did not foul it up. Prior Congresses, when confronted with good news, would have responded with $100 million spending programs,

$200 million tax cuts, attempts to buy votes from this constituency or that, paying a price that the country could not afford. Instead, we acted with restraint.

Yes, we adopted some additional spending programs, more than offset by the spending reductions that we achieved. And yes, we provided tax reductions. But tax reductions that were moderate tax reductions this country could afford, tax reductions that were far less than had been proposed just 2 years ago.

Another area where we did not foul things up is that of the Social Security. Earlier this year we were urged by many to artificially adjust the Consumer Price Index, to tell those who are dependent on Social Security that if the Consumer Price Index said prices had gone up by 3 percent, we were only going to count 1½ percent. That would have been a breach of faith with America's seniors, and this Congress said no. Yes, we are going to balance the budget, but no we are not going to do so by artificially tinkering with the promise that we have made to our seniors to maintain their purchasing power.

Instead, we adopted a spending bill that will extend the Medicare trust fund and its solvency to the year 2007, and that will allow us to provide insurance to children who do not currently have medical insurance. Five million children who now must worry and whose parents must worry about whether they can afford to see a doctor, or if they can get medical care, will be told yes, you can, the door of the clinic is open.

We also adopted very important tax reductions. The most important one for my district is a virtual elimination of the tax on the gain on the sale of a home. We in Los Angeles are blessed with high property values or high housing costs, however you choose to view it. And so many southern Californians are faced with a situation where they are thinking of selling their home now that their children have moved. They have a 3-bedroom, a 4-bedroom, a 6-bedroom home and are still living in it, not because they need the space and not because they want to invite their 20-something children to move back into their old bedrooms, but because they are concerned about the huge tax that they would pay if they sold their home and moved into a smaller one. Today we said yes, people can sell their homes and do not have to pay taxes on the first $500,000 of gain.

And for those in other parts of the country where the gains are smaller, please reflect on the fact that your interest payments are lower, your mortgage payments are lower. We in California spend far more for housing than people in most of the rest of the country.

Just as important, we adopted a $500 tax credit per child so that parents would have some help with the high cost of raising their own children. And we provided tax relief for college students and their parents, a HOPE scholarship that provides a $1,500 tax credit for those who spend $2,000 on tuition during the first 2 years of college. Dollar for dollar, this is not a mere deduction but a credit dollar for dollar on the first $1,000 and a 50-percent credit on the next $1,000 spent during the first 2 years of college. And for those who have gone beyond their first 2 years of college, we have provided a tax credit of 20 percent on the first $5,000 that they spend on college tuition.

America needs to invest in education. Our colleges and universities are still the envy of the world. And if we are to maintain the high living standards that we enjoy compared to the rest of the world, we must encourage people to pursue a college education in their post high school years.

The country benefits. The revenue people benefit. We in the Federal Government are all too happy to benefit when someone gets a college education, earns more, and therefore pays higher taxes. We should be there on the front end providing tax breaks and incentives to encourage people to get that college education. If we are partners in the profits of education, we should be partners in the expense.

Another element that is very important to me in the budget resolution revolves around the Land and Water Conservation Fund. Most people at home and, frankly, some of my colleagues have not focused on the Land and Water Conservation Fund. This is a special fund in the U.S. Treasury, is funded with money received by the Federal Government from royalties on offshore oil drilling. I have always opposed offshore drilling, especially off the coast of California. But wherever there is already oil being produced off our coast and royalties being paid to the Federal Government, those funds should be used to mitigate environmental degradation by providing us with the funding we need to acquire new Federal lands for our national parks and forests.

This year, for the first time in nearly a decade, we are going to live more or less in conformity with the law that established the Land and Water Conservation Fund. I am particularly proud of the work I did in the Committee on the Budget, because in that committee we reviewed a White House-negotiated deal which provided that there should be $700 million of new funds to acquire lands around the country, environmentally sensitive lands, but that that $700 million of new funds should be spread out over the next 5 years. I could see it happen, could see the problem. The problem is that we traditionally spend about $150 million every year, which is not nearly enough, on acquiring environmentally sensitive lands. If we provided for $700 million spread out over 5 years, the new money could simply displace the old money. The $700 million spread out over 5 years could then be the excuse to discontinue the $150 million that we have spent year after year for the last several years.

Instead, in the Committee on the Budget, I proposed an amendment, the only substantive amendment that we were able to get adopted in the Committee on the Budget of this House, which provided first documentation and inescapable documentation, no wiggle room documentation, that $700 million of additional funds should be spent in the next 5 years on acquiring environmentally sensitive land.

Beyond that, the amendment provided that all of those funds should be spent in 1998. That is important for several reasons. The first is that the $700 million will have the greatest purchasing power if spent now before land prices go up. But second, spending the money in 1998 assures that what was supposed to be extra money is in fact extra, that we spend the $700 million extra in 1998, and come 1999, with the support of my colleagues, we should go back to spending at least $150 million year in and year out. And I would urge this House to spend far more.

So we have a budget resolution that is very clear, that has been passed by both Houses of Congress, and that is supposed to be binding on both Houses, providing that an additional $700 million be spent during 1998 on acquiring environmentally sensitive lands.

Unfortunately, the Committee on Appropriations of the House of Representatives did not follow that instruction and adopted an Interior Committee appropriations bill which did not include the expenditure of that $700 million.

The other body, the Senate, did follow the budget resolution, did follow the amendment that I had offered for that resolution, and provided for the $700 million to be spent. I am confident that we will spend that money and that we will acquire environmentally sensitive lands before they are doomed to development and degradation.

I acquire this confidence for one reason. My colleagues are going home. The ladies and gentlemen watching us in this House will have a chance to talk to them about the priorities of this country. We are very close to the end of this millenia. What greater gift could we make to the next millenia than to preserve forever the Headwaters Forest, to preserve forever the Yellow Stone area, and to preserve forever the Santa Monica Mountains National Recreation Area?

I am confident that as the people of America interface with their Representatives, they will say, you have a balanced budget resolution. It provides for $700 million of additional funds to acquire these lands, you have told us that that resolution will give us a balanced budget and fiscal responsibility. If we can protect the lands and be fiscally responsible, we should do it and do it now. And I am confident that when my colleagues return and go into that conference committee that they will be strong advocates for the environment and strong advocates for protecting lands and adding to our national parks.

I would especially hope that there is attention to the Santa Monica Mountains National Recreation Area. This is the last great chance to have a national park and a great national park just on the fringes of one of America's great metropolitan areas. We are close to being able to acquire the last parcels we need to acquire to complete the backbone trail and provide a 65-mile hike that starts in Santa Monica and continues through unabated wilderness and through nationally-owned and State-owned lands.

☐ 2030

We have a chance to preserve for posterity a park that already generates 30 million visitors a year. There are far more visitors to the mountains and beaches of the Santa Monica National Recreation Area than to Yellowstone or Yosemite or any of the other units of the National Park System. We have a chance to complete the construction and acquisition of a park that is already, even in its current form, the most popular element of our National Park System.

And so, if you happen to see my colleagues back in your districts, please tell them now is the time to protect our national treasures.

This completes what I would like to say about the Committee on the Budget. I would like to turn my attention now to my work on and the work in general of the Committee on International Relations. I especially want to turn my attention to the tragic events in Jerusalem of just a few days ago, for these events remind us that the Middle East has not yet achieved peace, that Israel remains surrounded by those who would destroy her and that Israel is not yet secure, and it reminds us of the importance of the eternal city of Jerusalem.

It was not covered much by the press, but a few months ago there was a resolution in the Committee on International Relations to cut aid to Israel. The proponent pointed out that the living standards in Israel are somewhat higher, considerably higher than many of the other countries that receive our aid, and wondered why Israel needed economic aid from the United States.

The answer of the committee was overwhelming. The answer of the committee was clear. As long as Israel must confront hostile neighbors in so many directions, as long as Iran and Iraq swear every day that they will push Israel into the sea, Israel needs both the military aid that it gets from the United States and the economic aid that is necessary so that Israel can afford to spend its own money on dealing with the greatest security threat of any country in the world.

There is only one country in the world where there are millions of people, or at least governments governing millions of people, who question its right to exist and plot its extermination. No other country faces that kind of security threat, and no country has a closer relationship with the United States than the State of Israel which has supported us. Israel has supported us again and again and again when we needed a friend in a very dangerous and very important region of the country.

Particularly I want to point to the fact that this latest terrorist act occurred in Jerusalem, and it was probably committed by those who were trying to destroy the peace process. But it was allowed to occur, or at least not prevented, by a Palestinian Authority that is still trying to negotiate about the status of Jerusalem and has again and again signaled that terrorism, or at least turning a blind eye to terrorism, is a negotiating tactic that it is willing to employ.

We must tell the Palestinian Authority that terror is not an appropriate or tolerable method for negotiation, and we must tell the entire world that the United States recognizes Jerusalem, an undivided and indivisible Jerusalem, as the capital of the land of Israel.

Up until now there has been some question as to American policy. Congress has always been clear. Congress has directed the United States to move our embassy to Jerusalem to signal for the entire world that Jerusalem is the capital of Israel and always will be. So far that embassy has not been moved, but congressional enactment after congressional enactment has instructed the State Department to do just that, and when it comes to the American Embassy, we must say, ''Next year in Jerusalem.''

I do want to talk about several other points that arose involving international relations and the Committee on International Relations. One of those was an idea, a rather bad idea, to transfer free, three Perry class frigates to the Navy of the Republic of Turkey.

Now Turkey does face significant security threats facing Iran and Iraq on its eastern borders, but my question for the Defense Department is: In efforts against Iran and Iraq, how do you deploy the frigates? Obviously, these frigates would be deployed in the Aegean where they would threaten Cyprus and Greece. They should not be transferred, and it is certainly an insult to American taxpayers to think of transferring them to Turkey for free. When you think of the idea of frigates being used to combat the threat of Iran and Iraq, we should reflect that the last oceangoing ships seen in eastern Anatolia, the last such ship was Noah's ark.

The idea of strengthening the Turkish Navy, a Navy whose work in Cyprus and the Aegean we are not overly happy with, is an incredibly bad idea. I am very gratified that Richard Holbrooke, arguably our most accomplished ambassador has been appointed to try to deal with the problem of Cyprus. We look forward to the unification of Nicosia, not the division of Jerusalem. We look forward to peace in Cyprus and a united federal Cyprus joining the European Union.

I also would like to address the unfortunate visit to the United States of the President of Azerbaijan Mr. Aliyev. We met with this individual yesterday. He tried to convince us that Nogornokarabagh was a natural part of Azerbaijan. He was wrong. The only individual who had a hand in transferring that territory to Azeri sovereignty even for a while was Joseph Stalin. The idea that Azerbaijan would claim a territory populated by Armenians and their only claim to it is Joseph Stalin gave it to us; I think that is a rather weak claim. President Aliyev urged us to repeal Section 907 which prohibits aid to a country that is receiving aid and is blockading another country to which we would like to send aid. The blockade of Armenia must end, and it is time for Turkey and Azerbaijan to provide humanitarian corridors so that food and medicine can reach the people of Armenia and so that Armenia can trade with the world.

Mr. Speaker, this is the 50th anniversary of the reemergence as an independent democracy of the Nation of India, and I would like to take this opportunity as the sun sets on this Congress until September to urge the President, and if that is impossible, then the Vice President or the Secretary of State to go to India to celebrate its independence.

We have more in common with India than is commonly acknowledged. They are the world's largest democracy, we are the worlds greatest democracy. It is time to celebrate Indian independence.

I am particularly proud of the role I played in the Committee on International Relations when one of my colleagues put forward an amendment that was a hidden attack against India, which said that we would end all aid to countries that did not vote with us all the time in the General Assembly of the United Nations. This was a ill considered amendment. Counting votes is not a way to see whether a country shares our values. Many of us here in the Chamber cast votes on a variety of things that are inconsequential, and those who try to judge our values by tabulating votes and producing scores, particularly if they look at every vote as being equivalent and of equal importance will be misled.

Just one example. Every day we vote on whether to approve the Journal. The Journal for the CONGRESSIONAL RECORD I think is professionally prepared, and so I vote to prepare it, to approve the Journal, to say, yes, there are no typos in it that I have been able to find. The Republican leadership votes to approve the Journal in every recorded vote. The Democratic leadership, many of them, vote against approving the Journal. Perhaps they have a keener eye for typos than I do. It would be rather absurd to decide that I shared more values with the Republican leadership than the Democratic leadership on the basis of such an inconsequential vote, and likewise our Committee on International Relations knows that you cannot judge whether America and other countries share values by tabulating of votes in the General Assembly of the United Nations.

Now on the Committee on International Relations I serve on the trade subcommittee, and again and again my voice is there to say it is time for America to get tough on trade. Unfortunately on trade issues there appear to be only 2 voices, one a protectionist voice that says build a wall around America. That is impossible. The other a, quote, free trade voice that says open America to every import regardless of how that country treats our trade. That is absurd, but unfortunately it is treated as a serious policy by the trade establishment and by the foreign policy establishment of the United States.

We even had a distinguished gentleman testify before our subcommittee that trade deficits do not matter. That is as absurd as the people who 10 years ago told us that budget deficits do not matter.

America runs a huge trade deficit with the world year in and year out every year and it is time for us to focus on that deficit with the same intensity that we focused on the Federal budget deficit.

For all too long our foreign policy around the world could best be described by one sentence uttered by an American diplomat to a diplomat from any of the other countries. America's position was that we would like the honor of defending Europe and Japan for free, defending their territory, their trade routes and their interests, and in return for that honor we were prepared to make trade concession after trade concession.

No country in the history of the world has ever exercised our responsibility or our power around the world. But no great country has survived with such unmitigated generosity. We cannot simultaneously open our markets to Japan and Europe and China while their markets remain closed to us.

Now at least this year we voted in favor of Most Favored Nation status for China, and it is good that we retain a trade relationship with China. But it is time for us to demand that they give Most Favored Nation status to the United States. Perhaps the least audible part of the debate on Most Favored Nation status was the fact that China sends $45 billion of goods to the United States every year and accepts only $11 billion of our exports.

☐ 2045

We must restore balance to this relationship. We must insist on parity. We must insist that a country like China, which, whether we like it or not, is a Communist State with a government in control of major economic decisions, make those economic decisions in a way that opens their markets to American goods.

Mr. Speaker, this weekend many of us will get a chance to see a movie, and we should reflect that at least for the area I represent, the movie business is the biggest business and the television business is included in that. We have tolerated for no ascertainable reason a policy that discriminates explicitly, repeatedly and consistently against American television programs and against American movies when we seek to exhibit them in France and other European countries. The French explicitly discriminate and say that one-third of all TV shows, one-third of all movie screens are available only for domestic content. I am not sure of that standard of one-third; it might even be higher.

They say it is not a matter of trade; they say it is a matter of culture. Well, I am from California, where in the south of California culture is Hollywood, but in the north of California culture is exemplified by our fine wines. If the French can tell us that we cannot have our movies and our TV programs in their country because it corrupts their culture, then why are we drinking French wines? Are they not having an equivalent effect on our culture?

Certainly, we should be as aggressive in trade negotiations with the French and we should use every device, including exaggerated cultural sensitivity if that is what we need to get access to their markets, and to deny access to the French where they deny access to us.

Mr. Speaker, in a few weeks I will get a chance to go to Israel with a delegation of our colleagues, and I will have a chance to see for myself what can be done to maintain a strong relationship between the United States and Israel. Our group will meet with Prime Minister Netanyahu and we will also meet with the head of the Palestinian Authority Chairman Yasser Arafat. We will have, I believe, some very pointed questions for Mr. Arafat, for it is his government that announced a death warrant for those people whose crime it was to sell land to Jews.

Mr. Speaker, I have a lot of realtors in my district. Now and then they face some danger in their business, maybe a flat tire on the way to show a house, but the idea that one would assassinate people for engaging in the real estate business strikes me as an all-time low in human rights and human dignity, and an all-time low in an effort to create peace in the Middle East. Likewise, it is the Palestinian Authority which time and again has arrested terrorists, known terrorists, Hezbollah, Islamic Jihad, arrested them and then released them.

Certainly one must take responsibility for the actions of those one facilitates. One must take responsibility for the actions one was obligated to prevent and chose not to prevent. The deal in the Middle East is land for peace, and again and again and again Israel has conceded and provided land.

Lands that Israel came to occupy by defending itself in a war of aggression it returned, not by force of arms of its adversaries, but by a genuine and sincere wish for peace. The land is there, the Sinai has been returned. Gaza is now under the Palestinian Authority. Huge areas of the West Bank have been turned over to Mr. Arafat's government. The land is there. Where is the peace?

We must remember that turnovers of land are permanent, or relatively so. They are ascertainable. Each acre turned over to an Arab government or to the Palestinian Authority can be measured, ascertained and protected. In contrast, the peace which is supposed to be delivered to Israel is ephemeral. There can be peace today and a terrorist incident tomorrow, and then peace the next day.

It is time to insist that peace be delivered, and it is not just peace with the fathers of the Middle East that Israel deserves, because what good is it to have peace with all of those in their 40s and 50s and 60s in positions of power in various Arab States, if the children are educated for hatred and war? It is time for the Middle East peace treaty to reach into every textbook in every Arab land and to begin to teach Arab children the truth: that Israel is a legitimate, permanent, unerasable part of the Middle East; that its presence in the Middle East may well lead to prosperity and enlightenment for much of that region; that lands have been returned because of a pledge of peace.

But instead, Arab children are taught lies. They are taught hatred. There are still textbooks that teach math by asking what happens when you add two dead Jews to three dead Jews.

The answer is that they do not have peace, and it is time for Arab states to deliver the ephemeral by looking at every aspect of their society and saying, have we complied with the peace agreement? Have we provided Israel with the security of knowing that the next generation and the generation after that will accept the borders that Israel has voluntarily retreated to?

So while we take a minute to reflect on those who died in Israel and in Jerusalem just a few days ago, we must reflect on what needs to happen: the reinternment of those that were wrongfully released by the Palestinian Authority, and education for peace among all the Arab States who once were at war. From Morocco to Tehran, Arab and Islamic children should be educated for peace. And until that happens, Israel will have conceded land and will have received only a temporary peace, a peace that may die with the fathers, a war that may be born with the sons.

Mr. Speaker, I want to thank my colleagues for their patience and indulgence, for I have spoken longer than I had imagined, but it has been a long session of Congress, and we all look forward to returning to our districts.

I look forward to returning to Woodland Hills, where I am available to my constituents at 818–999–1990, and I especially look forward to seeing hundreds of people at a new home-buyer fair, a fair designed to give people, particularly first time buyers, information about buying a new home. We will also have information about the new tax law and how it affects those selling a home. We will convene on Saturday, August 9 at 9 a.m. through 1 p.m. If my constituents cannot be there the whole time, we will have information for people for part of the time. We will be at the Coast Federal Bank in Canoga Park.

I know that all of my colleagues are smiling today. We all get to go home, but none of them deserve to smile more than me. I get to go back to the San Fernando, the Conejo and the Las Virgenes Valleys, and I am looking forward to it.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. HUTCHINSON). The Chair will remind all Members to address their remarks to the Chair and not to the viewing audience.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. HOEKSTRA) to revise and extend their remarks and include extraneous material:)

Mr. FALEOMAVAEGA, for 5 minutes, today.

Mr. STRICKLAND, for 5 minutes, today.

Mrs. MINK of Hawaii, for 5 minutes, today.

Mr. CONYERS, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

(The following Members (at the request of Mr. POSHARD) to revise and extend their remarks and to include extraneous material:)

Mr. HUNTER, for 5 minutes, today.

Mr. SOLOMON, for 5 minutes, today.

Mr. QUINN, for 5 minutes, today.

Mr. BOEHLERT, for 5 minutes, on July 23.

Mr. HOUGHTON, for 5 minutes, today.

Mr. THUNE, for 5 minutes, today.

Mr. FOLEY, for 5 minutes, on August 1.

ENROLLED JOINT RESOLUTION SIGNED

Mr. THOMAS, from the Committee on House Oversight, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 90. Joint resolution waiving certain enrollment requirements with respect to two specified bills of the One Hundred Fifth Congress.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Oversight, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H.J. Res. 90. Joint resolution waiving certain enrollment requirements with respect to two specified bills of the One Hundred Fifth Congress.

ADJOURNMENT

Mr. SHERMAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 55 minutes p.m.), the House adjourned until tomorrow, Friday, August 1, 1997, at 9 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4479. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Fresh Cut Flowers and Fresh Cut Greens Promotion and Information Order [FV–97–703] received July 28, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

4480. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Regulations Governing the Fresh Irish Potato Diversion Program, 1996 Crop [Docket No. FV–97–80–02] (RIN:0581–AA93) received July 31, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

4481. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Buprofezin; Pesticide Tolerances for Emergency Exemptions [OPP–300519; FRL–5732–1] (RIN: 2070–AB78) received July 28, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

4482. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting on behalf of the President, the Annual Report on the Panama Canal Treaties, Fiscal Year 1996, pursuant to 22 U.S.C. 3871; to the Committee on National Security.

4483. A letter from the Director, Office of the Secretary, Department of Defense, transmitting the Department's final rule—Compensation of Certain Former Operatives Incarcerated by the Democratic Republic of Vietnam (RIN: 0790–AG43) received July 28, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on National Security.

4484. A letter from the Assistant Secretary, Department of Defense, transmitting a letter concerning the mobilization income insurance program for activated Reservists, pursuant to Public Law 104—201, section 1233; to the Committee on National Security.

4485. A letter from the Acting General Counsel, Department of Housing and Urban Development, transmitting the Department's final rule—Base Closure Community Redevelopment and Homeless Assistance [FR–3820] received July 24, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on National Security.

4486. A letter from the Secretary of Defense, transmitting a report on the Demonstration Program to Train Military Medical Personnel in CIvilian Shock Trauma Units, pursuant to Public Law 104—201, section 744; to the Committee on National Security.

4487. A letter from the Secretary of Defense, transmitting a report on Dual Use Application Program Investment Strategy for Fiscal Years 1998 through 2000, pursuant to Public Law 104—201, section 203(g); to the Committee on National Security.

4488. A letter from the Deputy Under Secretary for International and Commercial Programs, Department of Defense, transmitting the annual report to Congress describing the activities of the Defense Production Act Fund, pursuant to 50 U.S.C. app. 2094; to the Committee on Banking and Financial Services.

4489. A letter from the Acting General Counsel, Department of Housing and Urban Development, transmitting the Department's final rule—Homeownership of Single Family Homes Program (HOPE 3); Streamlining Rule [FR–3857] received July 24, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

4490. A letter from the Managing Director, Federal Housing Finance Board, transmitting the Board's final rule—Amendment of Affordable Housing Program Regulation [No. 97–44] (RIN: 3069–AA28) received July 31, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

4491. A letter from the General Counsel, National Credit Union Administration, transmitting the Administration's final rule—Investment and Deposit Activities (RIN: 3133–AB73) received July 30, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

4492. A letter from the AMD—Performance Evaluation and RECORDs Management, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Glenrock, Wyoming) [MM Docket No. 96–227, RM–8910] received July 31, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4493. A letter from the AMD—Performance Evaluation and RECORDs Management, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Mt. Juliet and Belle Meade, Tennessee) [MM Docket No. 97–97, RM–9047] received July 31, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4494. A letter from the AMD—Performance Evaluation and RECORDs Management, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Fife Lake, Michigan) [MM Docket No. 97–25, RM–8981] received July 31, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4495. A letter from the AMD—Performance Evaluation and RECORDs Management, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Bear Creek and Pocono Pines, Pennsylvania) [MM Docket No. 96–151, RM–8808, RM–8891] received July 31, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4496. A letter from the AMD—Performance Evaluation and RECORDs Management, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.606(b), Table of Allotments, TV Broadcast Stations (Johnstown and Jeannette, Pennsylvania) [MM Docket No. 97–96, RM–8756] received July 31, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4497. A letter from the AMD—Performance Evaluation and RECORDs Management, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Centennial, Wyoming) [MM DOcket No. 97–88, RM–9031] received July 31, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4498. A letter from the AMD—Performance Evaluation and RECORDs Management, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (SMITH and Reno, Nevada, Susanville and Truckee, California) [MM Docket No. 96–103, RM–8794, RM–8839] received July 31, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4499. A letter from the AMD—Performance Evaluation and RECORDs Management, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Atlanta, Louisiana) [MM Docket No. 97–105, RM–9046] received July 31, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4500. A letter from the AMD—Performance Evaluation and RECORDs Management, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Parker, Arizona) [MM Docket No. 96–164, RM–8847] received July 31, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4501. A letter from the AMD—Performance Evaluation and RECORDs Management, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Earlville, Illinois) [MM Docket No. 97–48, RM–8994] received July 31, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4502. A letter from the Director, Regulations Policy Management Staff, Office of Policy, Food and Drug Administration, transmitting the Administration's final rule—Indirect Food Additives: Adjuvants, Production Aids, and Sanitizers [Docket No. 96F–0051] received July 28, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4503. A letter from the Director, Office of Congressional Affairs, Nuclear Regulatory Commission, transmitting the Commission's final rule—Compliance with Small Business Regulatory Enforcement Fairness Act [EGM 97–015] received July 28, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4504. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the forty-fifth report on the extent and disposition of United States contributions to international organizations for fiscal year 1996, pursuant to 22 U.S.C. 262a; to the Committee on International Relations.

4505. A letter from the Director, Office of the Secretary, Department of Defense, transmitting the Department's final rule—Privacy Program [32 CFR Part 311] received July 30, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

4506. A letter from the Chairman and Chief Executive Officer, Farm Credit Administration, transmitting the Administration's final rule—Releasing Information (RIN: 3052–AB77) received July 29, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

4507. A letter from the Office of Special Counsel, transmitting the Annual Report of the Office of the Special Counsel (OSC) for Fiscal Year (FY) 1996, pursuant to Public Law 101—12, section 3(a)(11) (103 Stat. 29); to the Committee on Government Reform and Oversight.

4508. A letter from the Secretary of Commerce, transmitting a report on the Plan for Census 2000, pursuant to Public Law 105—18, title VIII (111 stat. 217); to the Committee on Government Reform and Oversight.

4509. A letter from the the Acting Chief Administrative Officer, the U.S. House of Representatives, transmitting the quarterly report of receipts and expenditures of appropriations and other funds for the period October 1, 1996, through December 31, 1996 as compiled by the Chief Administrative Officer, pursuant to 2 U.S.C. 104a; (H. Doc. No. 105—112); to the Committee on House Oversight and ordered to be printed.

4510. A letter from the Assistant Secretary, Land and Minerals Management, Department of the Interior, transmitting notice on leasing systems for the Western Gulf of Mexico, Sale 168, scheduled to be held in August 1997, pursuant to 43 U.S.C. 1337(a)(8); to the Committee on Resources.

4511. A letter from the Director, Office of Sustainable Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Greenland Turbot in the Bering Sea Subarea [Docket No. 961107312–7021–02; I.D. 072297D] received July 28, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

4512. A letter from the Deputy Assistant Administrator for Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries Off West Coast States and in the Western Pacific; West Coast Salmon Fisheries; Amendment 12 [Docket No. 970318059–7148–02; I.D. 022197B] (RIN: 0648–AI82) received July 28, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

4513. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Wild and Scenic Rivers Act to designate a segment of the Upper White Salmon River in the State of Washington as a component of the National Wild and Scenic Rivers System; to the Committee on Resources.

4514. A letter from the Deputy Executive Director, Reserve Officers Association, transmitting the Association's financial audit for the period ending March 31, 1997, pursuant to 36 U.S.C. 1101(41) and 1103; to the Committee on the Judiciary.

4515. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend Title 17 to implement the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty; to the Committee on the Judiciary.

4516. A letter from the Treasurer, The Congressional Medal of Honor Society of the United States of America, transmitting the annual financial report of the Society for calendar year 1996, pursuant to 36 U.S.C. 1101(19) and 1103; to the Committee on the Judiciary.

4517. A letter from the Chairman, United States Sentencing Commission, transmitting the 1996 annual report of the activities of the Commission, pursuant to 28 U.S.C. 997; to the Committee on the Judiciary.

4518. A letter from the Secretary of Health and Human Services, transmitting the Twentieth Annual Report on the Child Support Enforcement Program, pursuant to 42 U.S.C. 652(a)(10); to the Committee on Ways and Means.

4519. A letter from the Administrator, Environmental Protection Agency, transmitting a report on the implementation of the Waste Isolation Pilot Plant Land Withdrawal Act, pursuant to Public Law 102—579, section 23(a)(2); jointly to the Committees on National Security and Commerce.

4520. A letter from the Board of Governors, Federal Reserve System, transmitting the Board's mid-year Monetary Policy Report to the Congress, pursuant to 12 U.S.C. 225a; jointly to the Committees on Banking and Financial Services and Education and the Workforce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DREIER: Committee on Rules. House Resolution 206. Resolution waiving points of order against the conference report to accompany the bill (H.R. 2014) to provide for reconciliation pursuant to subsections (b)(2) and (d) of section 105 of the concurrent resolution on the budget for fiscal year 1998 (Rept. 105–221). Referred to the House Calendar.

Mr. SMITH of Texas: Committee on the Judiciary. H.R. 1211. A bill for the relief of Global Exploration and Development Corp., Kerr-McGee Corp., and Kerr-McGee Chemical Corp.; with an amendment (Rept. 105–222). Ordered to be printed.

Mr. LEACH: Committee on Banking and Financial Services. H.R. 1370. A bill to reauthorize the Export-Import Bank of the United States; with an amendment (Rept. 105–224). Referred to the Committee of the Whole House on the State of the Union.

Mr. SHUSTER: Committee on Transportation and Infrastructure. H.R. 1502. A bill to designate the U.S. courthouse located at 301 West Main Street in Benton, IL, as the ''James L. Foreman United States Courthouse'' (Rept. 105–225). Referred to the House Calendar.

Mr. SHUSTER: Committee on Transportation and Infrastructure. H.R. 1484. A bill to redesignate the Dublin Federal courthouse building located in Dublin, GA, as the J. Roy Rowland Federal Courthouse; with amendments (Rept. 105–226). Referred to the House Calendar.

Mr. SHUSTER: Committee on Transportation and Infrastructure. H.R. 1479. A bill to designate the Federal building and U.S. courthouse located at 300 Northeast First Avenue in Miami, FL, as the ''David W. Dyer Federal Courthouse''; with amendments (Rept. 105–227). Referred to the House Calendar.

Mr. SHUSTER: Committee on Transportation and Infrastructure. H.R. 994. A bill to designate the U.S. border station located in Pharr, TX, as the ''Kika de la Garza United States Border Station'' (Rept. 105–228). Referred to the House Calendar.

Mr. SHUSTER: Committee on Transportation and Infrastructure. H.R. 962. A bill to redesignate a Federal building in Suitland, MD, as the ''W. Edwards Deming Federal Building'' (Rept. 105–229). Referred to the House Calendar.

Mr. SHUSTER: Committee on Transportation and Infrastructure. H.R. 892. A bill to redesignate the Federal building located at 223 Sharkey Street in Clarksdale, MS, as the ''Aaron Henry United States Post Office'';

with amendments (Rept. 105–230). Referred to the House Calendar.

Mr. SHUSTER: Committee on Transportation and Infrastructure. H.R. 643. A bill to designate the U.S. courthouse to be constructed at the corner of Superior and Huron Roads, in Cleveland, OH, as the ''Carl B. Stokes United States Courthouse'' (Rept. 105–231). Referred to the House Calendar.

Mr. SHUSTER: Committee on Transportation and Infrastructure. H.R. 613. A bill to designate the Federal building located at 100 Alabama Street NW, in Atlanta, GA, as the ''Sam Nunn Federal Center''; with amendments (Rept. 105–232). Referred to the House Calendar.

Mr. SHUSTER: Committee on Transportation and Infrastructure. H.R. 595. A bill to designate the Federal building and U.S. courthouse located at 475 Mulberry Street in Macon, GA, as the ''William Augustus Bootle Federal Building and United States Courthouse'' (Rept. 105–233). Referred to the House Calendar.

Mr. SHUSTER: Committee on Transportation and Infrastructure. H.R. 548. A bill to designate the U.S. courthouse located at 500 Pearl Street in New York City, NY, as the ''Ted Weiss United States Courthouse'' (Rept. 105–234). Referred to the House Calendar.

Mr. SHUSTER: Committee on Transportation and Infrastructure. H.R. 81. A bill to designate the U.S. courthouse located at 401 South Michigan Street in South Bend, IN, as the ''Robert K. Rodibaugh United States Bankruptcy Courthouse'' (Rept. 105–235). Referred to the House Calendar.

Mr. SHUSTER: Committee on Transportation and Infrastructure. H.R. 2204. A bill to authorize appropriations for fiscal years 1998 and 1999 for the Coast Guard, and for other purposes; with amendments (Rept. 105–236). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE 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. SMITH of Texas: Committee on the Judiciary. H.R. 998. A bill for the relief of Lloyd B. Gamble (Rept. 105–223). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of Rule X and clause 4 of Rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. CRANE (for himself, Mr. ARCHER, Mr. THOMAS, Mr. RAMSTAD, Ms. DUNN of Washington, Mr. HAMILTON, Mr. BEREUTER, Mr. DREIER, Mr. KOLBE, and Mr. CAPPS):

H.R. 2316. A bill to amend trade laws and related provisions to clarify the designation of normal trade relations; to the Committee on Ways and Means.

By Mr. ABERCROMBIE (for himself, Mr. EVANS, Mr. FILNER, Mr. FALEOMAVAEGA, Mr. UNDERWOOD, Mr. FROST, Mr. MILLER of California, Mrs. MINK of Hawaii, Mr. McDERMOTT, Mr. BONIOR, and Mr. RANGEL):

H.R. 2317. A bill to amend title 38, United States Code, to make permanent the Native American Veteran Housing Loan Pilot Program; to the Committee on Veterans' Affairs.

By Mr. ABERCROMBIE (for himself, Mr. YOUNG of Alaska, and Mrs. MINK of Hawaii):

H.R. 2318. A bill to repeal the provisions of the Taxpayer Relief Act of 1997 which change the rates of the airline ticket taxes and impose a separate tax on domestic segments of air transportation; to the Committee on Ways and Means.

By Mr. BARRETT of Wisconsin (for himself, Mr. FRANK of Massachusetts, Mr. VENTO, Mr. LAFALCE, Mr. GUTIERREZ, Mr. HINCHEY, Ms. CARSON, Mr. KIND of Wisconsin, Mr. KLECZKA, Mr. MCHUGH, Mr. TRAFICANT, and Mr. MCHALE):

H.R. 2319. A bill to amend the Electronic Fund Transfer Act to safeguard consumers in connection with utilization of certain debit credit cards; to the Committee on Banking and Financial Services.

By Mr. BROWN of California (for himself and Mrs. MORELLA):

H.R. 2320. A bill to establish an education satellite loan guarantee program to facilitate the development of an integrated, national and global telecommunications system dedicated to instruction and used soley for communications among Federal, State, and local instructional institutions and agencies and instructional resource providers; to the Committee on Education and the Workforce.

By Mr. BURTON of Indiana (for himself, Mr. FALEOMAVAEGA, Mr. BUYER, Mr. GILCHREST, Mr. BARTLETT of Maryland, Mr. NORWOOD, Mr. BOEHLERT, Mr. KING of New York, Mr. MCHUGH, Mr. KASICH, Mr. SESSIONS, Mr. PACKARD, Mr. CASTLE, Mr. OXLEY, Mr. CLEMENT, Mrs. MORELLA, and Mr. QUINN):

H.R. 2321. A bill to amend the Internal Revenue Code of 1986 regarding the treatment of golf caddies for employment tax purposes; to the Committee on Ways and Means.

By Mr. CASTLE:

H.R. 2322. A bill to suspend the duty on the organo-phosphorus compound ACM until January 1, 2000; to the Committee on Ways and Means.

By Mr. METCALF (for himself, Mr. LAZIO of New York, and Mr. KANJORSKI):

H.R. 2323. A bill to allow depository institutions to offer negotiable order of withdrawal accounts to all businesses, to repeal the prohibition on the payment of interest on demand deposits, to require the Board of Governors of the Federal Reserve System to pay interest on certain reserves, and for other purposes; to the Committee on Banking and Financial Services.

By Mr. CASTLE:

H.R. 2324. A bill to suspend the duty on the synthetic organic coloring matter C.I. Pigment Yellow 109 until January 1, 2000; to the Committee on Ways and Means.

H.R. 2325. A bill to suspend the duty on the synthetic organic coloring matter C.I. Pigment Yellow 110 until January 1, 2000; to the Committee on Ways and Means.

H.R. 2326. A bill to suspend the duty on the organic chemical parachlorobenzonitrile until January 1, 2000; to the Committee on Ways and Means.

By Mr. COMBEST (for himself, Mr. GREEN, and Mr. MARTINEZ):

H.R. 2327. A bill to provide for a change in the exemption from the child labor provisions of the Fair Labor Standards Act of 1938 for minors between 16 and 18 years of age who engage in the operation of automobiles and trucks; to the Committee on Education and the Workforce.

By Mr. CONDIT (for himself, Mr. CRAMER, Mr. SISISKY, Mr. PETERSON of Minnesota, Mr. TURNER, Mr. BILBRAY, Mr. DOOLEY of California, Mr. DOOLITTLE, Mr. FILNER, Mr. GOODE, Mr. POMBO, and Mr. RADANOVICH):

H.R. 2328. A bill to amend the Clean Air Act to impose certain requirements on areas upwind of ozone nonattainment areas, and for other purposes; to the Committee on Commerce.

By Mr. CRANE:

H.R. 2329. A bill to establish the National Dividend Plan by reforming the budget process, and by amending the Internal Revenue Code of 1986 to eliminate the double tax on dividends, to allocate corporate income tax revenues for payments to qualified registered voters, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. DELAURO (for herself, Mr. GREEN, Mr. KENNEDY of Rhode Island, Mr. FORD, Mr. BONIOR, Mr. FROST, Mr. OLVER, Ms. CHRISTIAN-GREEN, Mr. MCGOVERN, and Ms. PELOSI):

H.R. 2330. A bill to authorize the Secretary of Transportation to make direct loans and provide lines of credit to finance surface transportation projects, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. EVANS (for himself, Mrs. MEEK of Florida, Mr. HASTINGS of Florida, Mr. KIND of Wisconsin, Ms. RIVERS, Mr. FROST, Mr. PETRI, Mr. BONIOR, Mr. HINCHEY, Mr. MCGOVERN, Mr. FOGLIETTA, Mr. BARRETT of Wisconsin, Mr. MASCARA, Mr. DOYLE, Mr. OLVER, and Mr. LEWIS of Georgia):

H.R. 2331. A bill to amend title 5, United States Code, to provide that civilian employees of the National Guard may not be required to wear military uniforms while performing civilian service; to the Committee on Government Reform and Oversight, and in addition to the Committee on National Security, 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. EVERETT (for himself, Mr. ADERHOLT, Mr. BARCIA of Michigan, Mr. BOEHNER, Mr. BONO, Mr. BOYD, Mr. CALLAHAN, Mr. CAMPBELL, Mr. CRAMER, Mr. DEAL of Georgia, Ms. DEGETTE, Mr. DELLUMS, Mr. DUNCAN, Mr. FARR of California, Mr. FILNER, Mr. FOLEY, Mr. HINCHEY, Mr. HUNTER, Ms. KAPTUR, Mr. KUCINICH, Mr. MCHUGH, Mr. MCNULTY, Mrs. MEEK of Florida, Mr. MILLER of California, Mr. NEY, Mr. POSHARD, Mr. RILEY, Ms. RIVERS, Mr. ROHRABACHER, Mr. SOUDER, Mr. SPRATT, Mr. STUMP, Mr. TANNER, and Mrs. THURMAN):

H.R. 2332. A bill to amend section 304 of the Tariff Act of 1930 to require the marking of frozen produce with the country of origin on the front panel of the package for retail sale; to the Committee on Ways and Means.

By Mr. FOX of Pennsylvania:

H.R. 2333. A bill to provide improvements for the financial and emotional security of seniors; to the Committee on Ways and Means, and in addition to the Committees on the Judiciary, Banking and Financial Services, and the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. FRELINGHUYSEN:

H.R. 2334. A bill to suspend temporarily the duty on ferroboron; to the Committee on Ways and Means.

By Mr. GOODE (for himself, Mr. GOODLATTE, Mr. BOUCHER, Mr. PICKETT, and Mr. DAVIS of Virginia):

H.R. 2335. A bill to amend the Internal Revenue Code of 1986 to repeal the 1993 Federal income tax rate increases on trusts established for the benefit of individuals with disabilities; to the Committee on Ways and Means.

By Mr. HEFLEY:

H.R. 2336. A bill to temporarily decrease the duty on certain industrial nylon fabrics; to the Committee on Ways and Means.

By Mr. HILL:

H.R. 2337. A bill to authorize funds to further the strong Federal interest in the improvement of highways and transportation, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. HINCHEY (for himself, Mr. GILMAN, and Mrs. KELLY):

H.R. 2338. A bill to amend title 38, United States Code, to require that health-care professionals of the Department of Veterans Affairs be assigned to facilities of the Department only in States in which they are licensed to practice, and to require that the Secretary of Veterans Affairs follow State requirements concerning the filing of death certificates; to the Committee on Veterans' Affairs.

By Mrs. JOHNSON of Connecticut (for herself and Mrs. KENNELLY of Connecticut):

H.R. 2339. A bill relating to the tariff treatment of nuclear fuel assemblies; to the Committee on Ways and Means.

By Mrs. KELLY (for herself and Mr. CUNNINGHAM):

H.R. 2340. A bill to provide for mandatory prison terms for possessing, brandishing, or discharging a firearm or destructive device during a Federal crime that is a crime of violence or a drug trafficking crime; to the Committee on the Judiciary.

By Mr. KIM (for himself, Mr. GILCHREST, Mr. GILMAN, and Mr. CARDIN):

H.R. 2341. A bill to amend title 23, United States Code, to authorize Federal participation in financing of projects to demonstrate the feasibility of deployment of magnetic levitation transportation technology, and for other purposes; to the Committee on Transportation and Infrastructure, and in addition to the Committees on Science, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. KLECZKA:

H.R. 2342. A bill to amend title 18, United States Code, to permit gunsmiths to obtain a Federal firearms license without having to comply with State or local laws relating to zoning of firearms businesses; to the Committee on the Judiciary.

By Mr. LEACH:

H.R. 2343. A bill to abolish the Thrift Depositor Protection Oversight Board, and for other purposes; to the Committee on Banking and Financial Services.

By Mrs. LOWEY:

H.R. 2344. A bill to expand the enforcement options under the Federal Meat Inspection Act and the Poultry Products Inspection Act to include the imposition of civil money penalities; to the Committee on Agriculture.

By Mrs. LOWEY (for herself, Mr. FOGLIETTA, Mr. BARRETT of Wisconsin, Mr. BROWN of Ohio, Mr. DEFAZIO, Ms. FURSE, Mr. KENNEDY of Massachusetts, Mrs. MALONEY of New York, Mr. MCGOVERN, Mr. MILLER of California, Mr. MINGE, Mrs. MINK of Hawaii, Mrs. MORELLA, Mr. OBERSTAR, Mr. OLVER, Mr. RANGEL, Mr. SABO, Mr. STRICKLAND, Mrs. TAUSCHER, Mr. TORRES, Mr. TOWNS, Ms. WOOLSEY, and Mr. YATES):

H.R. 2345. A bill to prohibit the sale, lease, or other transfer of attack, bomber, or fighter aircraft to Latin American countries; to the Committee on International Relations.

By Mrs. LOWEY:

H.R. 2346. A bill to amend title 18, United States Code, to prohibit desecration of veterans' memorials; to the Committee on the Judiciary.

By Mrs. MALONEY of New York (for herself and Mr. HORN):

H.R. 2347. A bill to ensure the accuracy of information regarding the eligibility of applicants for benefits under Federal benefit programs; to the Committee on Government Reform and Oversight.

By Ms. MILLENDER-MCDONALD (for herself, Mr. DELLUMS, Mr. HASTINGS of Florida, Mr. JACKSON, Mr. MARTINEZ, Mrs. MEEK of Florida, Mr. WYNN, Mr. DIXON, Ms. CHRISTIAN-GREEN, Mr. FORD, Mr. FLAKE, Mr. JEFFERSON, Mr. CLYBURN, Ms. KILPATRICK, Mr. OWENS, Mr. MILLER of California, Ms. HARMAN, Mr. FAZIO of California, Ms. BROWN of Florida, Ms. WATERS, Mr. SCOTT, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. WATT of North Carolina, Mr. TOWNS, Mr. RANGEL, Mr. THOMPSON, Mr. CLAY, Mr. DAVIS of Illinois, Mr. FARR of California, Mr. BERMAN, Mr. RUSH, Mrs. CLAYTON, Mr. WAXMAN, Ms. CARSON, Mr. CUMMINGS, Mr. HILLIARD, Ms. JACKSON-LEE, Mr. LEWIS of Georgia, Mr. CONYERS, Mr. TORRES, Ms. LOFGREN, Mr. CONDIT, Ms. WOOLSEY, Ms. ROYBAL-ALLARD, Ms. PELOSI, and Mr. FILNER):

H.R. 2348. A bill to redesignate the Federal building located at 701 South Santa Fe Avenue in Compton, CA, and known as the Compton Main Post Office, as the ''Mervyn Dymally Post Office Building''; to the Committee on Government Reform and Oversight.

By Ms. MILLENDER-MCDONALD (for herself, Mr. DIXON, Ms. ROYBAL-ALLARD, Mr. FAZIO of California, Ms. PELOSI, Ms. WOOLSEY, Ms. LOFGREN, Mr. CONDIT, Mrs. MEEK of Florida, Mr. WYNN, Ms. NORTON, Mr. WATTS of Oklahoma, Mr. BROWN of California, Ms. BROWN of Florida, Mr. LANTOS, Mr. MILLER of California, Ms. KILPATRICK, Mr. DELLUMS, Mr. OWENS, Mr. FILNER, Mr. JACKSON, Mr. MARTINEZ, Mr. FLAKE, Mr. FORD, Mr. WAXMAN, Mr. TORRES, Mr. CLYBURN, Ms. EDDIE BERNICE JOHNSON of Texas, Ms. HARMAN, Mr. JEFFERSON, Ms. CHRISTIAN-GREEN, Mr. SCOTT, Mr. WATT of North Carolina, Mr. TOWNS, Mr. RANGEL, Mr. THOMPSON, Mr. CLAY, Mr. DAVIS of Illinois, Mr. RUSH, Mrs. CLAYTON, Mr. FARR of California, Mr. BERMAN, Ms. CARSON, Mr. CUMMINGS, Mr. HILLIARD, Ms. JACKSON-LEE, Mr. LEWIS of Georgia, and Mr. CONYERS):

H.R. 2349. A bill to redesignate the Federal building located at 10301 South Compton Avenue, in Los Angeles, CA, and known as the Watts Finance Office, as the ''Augustus F. Hawkins Post Office Building''; to the Committee on Transportation and Infrastructure.

By Mr. MILLER of California:

H.R. 2350. A bill to authorize certain uses of water from the Solano Project, California; to the Committee on Resources.

By Mr. MILLER of California (for himself, Mr. VENTO, Mr. OLVER, Mr. FARR of California, Ms. JACKSON-LEE, Mr. HINCHEY, Mr. BLUMENAUER, Mr. SANDERS, Mr. LEWIS of Georgia, Mr. MCDERMOTT, Mrs. MORELLA, Ms. PELOSI, Mrs. MALONEY of New York, Mr. SHAYS, Mr. FRANK of Massachusetts, Mr. WAXMAN, Mr. STARK, Mr. MARKEY, Ms. CHRISTIAN-GREEN, Mr. YATES, Mrs. LOWEY, Mr. DICKS, Mr. DELAHUNT, Mr. LANTOS, Ms. RIVERS, Mr. GEJDENSON, Mr. SERRANO, Mr. SKAGGS, Mr. SHERMAN, Ms. KILPATRICK, Mr. BERMAN, Mr. FALEOMAVAEGA, Ms. FURSE, Mr. THOMPSON, Mr. BONIOR, Ms. DEGETTE, Mr. NEAL of Massachusetts, Mr. BARRETT of Wisconsin, Mr. DELLUMS, Mrs. MEEK of Florida, Mr. WEXLER, Ms. SLAUGHTER, Mr. MORAN of Virginia, Mr. ADAM SMITH of Washington, Mr. CARDIN, Mr. TIERNEY, Mr. MCNULTY, Mr. HASTINGS of Florida, Mr. MEEHAN, Mr. MCGOVERN, Ms. WATERS, Mr. ENGEL, Ms. CARSON, and Mr. PALLONE):

H.R. 2351. A bill to amend the Endangered Species Act of 1973 to ensure the recovery of our Nation's declining biological diversity; to reaffirm and strengthen this Nation's commitment to protect wildlife; to safeguard our children's economic and ecological future; and to provide assurances to local governments, communities, and individuals in their planning and economic develpoment efforts; to the Committee on Resources, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MORAN of Kansas (for himself, Mr. RYUN, Mr. HUTCHINSON, and Mr. BOB SCHAFFER):

H.R. 2352. A bill to amend the National Trails System Act to require local approval of designations of railroad rights-of-way for interim use as trails; to the Committee on Resources.

By Mr. NADLER:

H.R. 2353. A bill to amend title 18, United States Code, to prohibit certain conduct relating to civil disorders; to the Committee on the Judiciary.

By Ms. NORTON (for herself, Mr. MANTON, and Mr. ENSIGN):

H.R. 2354. A bill to amend the Professional Boxing Safety Act of 1996 to provide an additional safety provision; to the Committee on Commerce, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. ORTIZ:

H.R. 2355. A bill to extend the repayment periods for the repayment for Nueces River reclamation project; to the Committee on Resources.

By Mr. PORTER (for himself, Mr. ARCHER, Mr. BAKER, Mr. BARR of Georgia, Mr. BARTLETT of Maryland, Mr. BEREUTER, Mr. BILBRAY, Mr. CALLAHAN, Mr. CANNON, Mrs. CHENOWETH, Mrs. CUBIN, Mr. CUNNINGHAM, Mr. DOOLITTLE, Mr. GOODLATTE, Mr. GOSS, Mr. HERGER, Mr. HILLEARY, Mr. HORN, Mr. HUNTER, Mr. KIM, Mr. KING of New York, Mr. KNOLLENBERG, Mr. LATHAM, Mr. LAHOOD, Mr. LIVINGSTON, Mr. LIPINSKI, Mr. MCCOLLUM, Mr. MCKEON, Mr. NEY, Mr. NORWOOD, Mr. PACKARD, Mr. PETRI, Mr. ROHRABACHER, Mrs. ROUKEMA, Mr. SENSENBRENNER, Mr. SHAYS, Mr. TAYLOR of North Carolina, and Mr. WELDON of Florida):

H.R. 2356. A bill to amend the Voting Rights Act of 1965 to eliminate certain provisions relating to bilingual voting requirements; to the Committee on the Judiciary.

By Mr. RIGGS (for himself, Mr. RAMSTAD, Mr. CUNNINGHAM, Mr. MCKEON, Mr. CAMPBELL, and Mr. BILBRAY):

H.R. 2357. A bill to amend the Fair Labor Standards Act of 1938 to provide that a State or local government may not, in their minimum wage laws, ordinances, regulations, or orders, preclude a tip credit or require a certain tip credit; to the Committee on Education and the Workforce.

By Ms. ROS-LEHTINEN (for herself, Mr. KING of New York, Mr. ROYCE, Mr. COX of California, Mr. GIBBONS, Mr. GILMAN, Mr. HUNTER, Mr. SAM JOHNSON, Mr. MCINTOSH, Mr. ROHRABACHER, Mr. SHADEGG, Mr. SMITH of New Jersey, Mr. SOLOMON, and Mr. SPENCE):

H.R. 2358. A bill to provide for improved monitoring of human rights violations in the People's Republic of China; to the Committee on International Relations.

By Mr. ROTHMAN (for himself, Mrs. LOWEY, Mrs. ROUKEMA, Mr. YATES, Mr. DELLUMS, Mr. STARK, Mr. FILNER, and Mr. WEXLER):

H.R. 2359. A bill to require the Secretary of the Treasury, acting through the Director of the Bureau of Alcohol, Tobacco, and Firearms, to issue minimum safety and security standards for dealers of firearms; to the Committee on the Judiciary.

By Mr. SAXTON:

H.R. 2360. A bill to mandate price stability as the primary goal of the monetary policy of the Board of Governors of the Federal Reserve System and the Federal Open Market Committee; to the Committee on Banking and Financial Services.

By Mr. SCHIFF (for himself, Mr. MCCOLLUM, Ms. DUNN of Washington, Mr. CALVERT, Mr. BEREUTER, and Mr. REDMOND):

H.R. 2361. A bill to amend title 18, United States Code, with respect to the ''three strikes'' life sentence; to the Committee on the Judiciary.

By Mr. SCHUMER (for himself, Mr. CONDIT, Mr. CONYERS, Ms. LOFGREN, and Ms. SLAUGHTER):

H.R. 2362. A bill to guarantee a republican form of government to the States by preventing paramilitary violence; to the Committee on the Judiciary.

By Mr. SESSIONS (for himself, Mr. BARTLETT of Maryland, Mr. COMBEST, Mr. NORWOOD, Mr. SMITH of Texas, Ms. GRANGER, Mr. DELAY, Mr. BONILLA, Mr. ADERHOLT, Mr. SALMON, Mr. HALL of Texas, Mr. PAPPAS, Mr. CRANE, Mr. THOMAS, Mr. PETERSON of Pennsylvania, Mr. CALVERT, Mr. BURTON of Indiana, Mr. FOX of Pennsylvania, Mr. MCCRERY, Mr. TRAFICANT, Mr. LATOURETTE, Mr. HULSHOF, Mr. LAZIO of New York, Mrs. EMERSON, Mr. LARGENT, Mr. NUSSLE, Mr. GIBBONS, Mr. SCARBOROUGH, Mr. HUNTER, Mr. CALLAHAN, Mr. PORTMAN, Mr. MICA, Mr. BOEHNER, Mr. BOB SCHAFFER, Mr. COLLINS, Mr. SHADEGG, Mr. ROGAN, Mr. MCINTOSH, Mr. BARR of Georgia, Mr. BAKER, Mr. HASTERT, and Mr. COOKSEY):

H.R. 2363. A bill to amend the Controlled Substances Act to provide a mandatory life penalty for certain offenses involving methamphetamine; to the Committee on the Judiciary, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SHAYS:

H.R. 2364. A bill to reduce Federal spending in several programs; to the Committee on National Security, and in addition to the Committees on International Relations, Science, Agriculture, Transportation and Infrastructure, Resources, Education and the Workforce, Veterans' Affairs, and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SOLOMON (for himself and Mr. MCHUGH):

H.R. 2365. A bill to reduce acid deposition under the Clean Air Act, and for other purposes; to the Committee on Commerce.

By Mr. STENHOLM (for himself, Mr. SKEEN, Mr. WISE, Mr. COMBEST, Mr. LUCAS of Oklahoma, Mr. GOODE, Mr. PICKERING, Mr. EWING, Mr. CANADY of Florida, Mr. ETHERIDGE, Mr. BALDACCI, Mr. FARR of California, Mr. BERRY, Mr. MORAN of Kansas, and Mr. POMEROY):

H.R. 2366. A bill to transfer to the Secretary of Agriculture the authority to conduct the census of agriculture, and for other purposes; to the Committee on Government Reform and Oversight, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. STUMP (for himself, Mr. EVANS, Mr. QUINN, and Mr. FILNER):

H.R. 2367. A bill to increase, effective as of December 1, 1997, the rates of compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans; to the Committee on Veterans' Affairs.

By Mr. TAUZIN (for himself and Mr. GILLMOR):

H.R. 2368. A bill to promote the privacy of interactive computer service users through self-regulation by the providers of such services, and for other purposes; to the Committee on Commerce.

By Mr. TAUZIN (for himself, Mr. MARKEY, Mr. OXLEY, Mr. GILLMOR, Ms. ESHOO, and Ms. MCCARTHY of Missouri):

H.R. 2369. A bill to amend the Communications Act of 1934 to strengthen and clarify prohibitions on electronic eavesdropping, and for other purposes; to the Committee on Commerce.

By Mr. UNDERWOOD (for himself, Mr. MILLER of California, and Mr. ABERCROMBIE):

H.R. 2370. A bill to amend the Organic Act of Guam for the purposes of clarifying the local judicial structure and the office of Attorney General; to the Committee on Resources.

By Mr. VENTO:

H.R. 2371. A bill to amend title II of the Social Security Act to require that contracts entered into by the Commissioner of Social Security and the States and local governments providing for furnishing the Commissioner with death certificate information require that such information be furnished within 30 days after the death involved; to the Committee on Ways and Means.

By Mr. WHITE (for himself, Mr. BOUCHER, Mr. TAUZIN, Mr. OXLEY, Mr. COX of California, and Mr. LAZIO of New York):

H.R. 2372. A bill to ensure that the development of the Internet and interactive computer services is unfettered by Federal and State regulation; to the Committee on Commerce.

By Mr. DIAZ-BALART:

H.J. Res. 90. Joint resolution waiving certain enrollment requirements with respect to two specified bills of the 105th Congress; considered and agreed to.

By Mr. BARR of Georgia (for himself, Mr. CALLAHAN, Mr. BOYD, Mr. ADERHOLT, Mr. BACHUS, Mr. BISHOP, Ms. BROWN of Florida, Mr. CANADY of Florida, Mr. CHAMBLISS, Mr. COLLINS, Mr. CRAMER, Mr. DAVIS of Florida, Mr. DEAL of Georgia, Mr. DEUTSCH, Mr. EVERETT, Mr. FOLEY, Mrs. FOWLER, Mr. GINGRICH, Mr. GOSS, Mr. HILLIARD, Mr. KINGSTON, Mr. LEWIS of Georgia, Mr. LINDER, Mr. MCCOLLUM, Mrs. MEEK of Florida, Mr. NORWOOD, Mr. RILEY, Mrs. THURMAN, and Mr. WEXLER):

H.J. Res. 91. Joint resolution granting the consent of Congress to the Apalachicola-Chattahoochee-Flint River Basin Compact; to the Committee on the Judiciary.

By Mr. CALLAHAN (for himself, Mr. BARR of Georgia, Mr. ADERHOLT, Mr. BACHUS, Mr. BISHOP, Mr. CHAMBLISS, Mr. COLLINS, Mr. CRAMER, Mr. DEAL of Georgia, Mr. EVERETT, Mr. HILLIARD, Mr. GINGRICH, Mr. KINGSTON, Mr. LEWIS of Georgia, Mr. LINDER, Mr. NORWOOD, and Mr. RILEY):

H.J. Res. 92. Joint resolution granting the consent of Congress to the Alabama-Coosa-Tallapoosa River Basin Compact; to the Committee on the Judiciary.

By Mr. GOODE:

H.J. Res. 93. Joint resolution proposing an amendment to the Constitution of the United States relating to the power of the several States to propose amendments to the Constitution; to the Committee on the Judiciary.

By Mr. GOSS:

H. Con. Res. 136. Concurrent resolution providing for an adjournment of the two Houses; considered and agreed to

By Mr. GILMAN (for himself and Mr. PORTER):

H. Con. Res. 137. Concurrent resolution expressing the sense of the House of Representatives concerning the urgent need for an international criminal tribunal to try members of the Iraqi regime for crimes against humanity; to the Committee on International Relations.

By Mr. ARCHER:

H. Con. Res. 138. Concurrent resolution to correct technical errors in the enrollment of the bill H.R. 2014; which was considered and agreed to.

By Mr. BEREUTER (for himself, Mr. OXLEY, Mr. PICKETT, and Mr. HAMILTON):

H. Con. Res. 139. Concurrent resolution expressing the sense of Congress that the United States Government should fully participate in EXPO 2000 in the year 2000, in Hanover, Germany, and should encourage the academic community and the private sector in the United States to support this worthwhile undertaking; to the Committee on International Relations.

By Mr. MCINNIS:

H. Con. Res. 140. Concurrent resolution expressing the sense of Congress that before the consideration of any legislation regarding the comprehensive tobacco settlement each plaintiff attorney shall fully disclose the attorney's anticipated fees as a result of such settlement agreement; to the Committee on the Judiciary.

By Mr. BOEHNER:

H. Res. 207. Resolution electing the Chief Administrative Officer of the U.S. House of Representatives; considered and agreed to.

By Mr. FAZIO of California:

H. Res. 208. Resolution designating minority membership on certain standing committees of the House; considered and agreed to.

By Mr. FOX of Pennsylvania:

H. Res. 209. Resolution amending the rules of the House of Representatives to take away the power of the Committee on Rules to report rules or orders waiving the germaneness requirement; to the Committee on Rules.

By Ms. KAPTUR:

H. Res. 210. Resolution to express the sense of the House of Representatives on consideration of comprehensive campaign finance reform; to the Committee on House Oversight.

By Mr. KNOLLENBERG:

H. Res. 211. Resolution expressing the sense of the House of Representatives regarding the conditions for the United States becoming a signatory to any international agreement on greenhouse gas emissions under the U.N. Framework Convention on Climate Change; to the Committee on International Relations.

By Mr. LEWIS of Georgia (for himself, Mr. BOEHLERT, Mr. BROWN of Ohio, Mr. BERRY, Mr. CAPPS, Ms. CHRISTIAN-GREEN, Mr. CLEMENT, Mr. EVANS, Mr. FLAKE, Ms. JACKSON-LEE, Mr. MATSUI, Mrs. MEEK of Florida, Ms. NORTON, Mr. PAYNE, Mr. RAMSTAD, Mr. ROTHMAN, Mr. SANDERS, Ms. SLAUGHTER, Mr. TIERNEY, Mr. TRAFICANT, Mr. VENTO, Mr. WEXLER, and Mr. WYNN):

H. Res. 212. Resolution recognizing suicide as a national problem, and for other purposes; to the Committee on Commerce.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

159. The SPEAKER presented a memorial of the General Assembly of the State of California, relative to Assembly Joint Resolution No. 19 memorializing the President and Congress of the United States to endorse and support the Southwest Defense Complex, and the efforts of the Southwest Defense Alliance in furtherance of the Southwest Defense Complex; to the Committee on National Security.

160. Also, a memorial of the Legislature of the State of Alaska, relative to Legislative Resolve No. 36 requesting the President of the United States to take all actions necessary, within the considerable limits of the resources of the United States, to protect on an equal basis all peoples and resources of this great Union from threat of missile attack regardless of the physical location of the member state; to the Committee on National Security.

161. Also, a memorial of the House of Representatives of the State of New Hampshire, relative to House Joint Resolution 5 urging the United States Congress and the United States Environmental Protection Agency to make certain changes in the Clean Air Act which would result in more cost effective air pollutant emission reductions; to the Committee on Commerce.

162. Also, a memorial of the Legislature of the State of Alaska, relative to Legislative Resolve No. 40 requesting the United States Congress to amend the Federal Food, Drug, and Cosmetic Act; to the Committee on Commerce.

163. Also, a memorial of the Legislature of the State of Alaska, relative to Legislative Resolve No. 30 urging the United States Congress to amend the Social Security Act so that the higher cost of living in Alaska is reflected when the per capita income of the state is used as a factor in determining the federal share of Medicaid costs; to the Committee on Commerce.

164. Also, a memorial of the House of Representatives of the State of Maine, relative to a Joint Resolution memorializing the United States Postal Service to issue a stamp commemorating Joshua Lawrence Chamberlain; to the Committee on Government Reform and Oversight.

165. Also, a memorial of the Legislature of the State of Texas, relative to House Concurrent Resolution 168 requesting the Congress of the United States to conduct thorough oversight hearings of the Office of the Inspector General audit process sufficient to ensure that the rights and protections inherent in the nation's legal code are maintained and upheld in the process; to the Committee on Government Reform and Oversight.

166. Also, a memorial of the General Assembly of the State of California, relative to Assembly Joint Resolution No. 12 memorializing the President and the Congress to appropriate federal funds to be used to preserve and protect the Bolinas Lagoon; to the Committee on Resources.

167. Also, a memorial of the Legislature of the State of Alaska, relative to Legislative Resolve No. 26 supporting enhancement of visitors access to Denali National Park and Preserve through development of a northern railroad route corridor access to the vicinity of Wonder Lake; to the Committee on Resources.

168. Also, a memorial of the Legislature of the State of Alaska, relative to Legislative Resolve No. 20 urging the legislature of each state of the nation to ratify a balanced budget amendment that is passed by the United States Congress; to the Committee on the Judiciary.

169. Also, a memorial of the General Assembly of the State of Tennessee, relative to House Joint Resolution No. 32 post-ratifying Amendment 15 to the Constitution of the United States of America guaranteeing the right of citizens to vote regardless of race, color, or previous condition of servitude; to the Committee on the Judiciary.

170. Also, a memorial of the Legislature of the State of Alaska, relative to Legislative Resolve No. 27 relating to the creation of a new United States Court of Appeals for the Twelfth Circuit; to the Committee on the Judiciary.

171. Also, a memorial of the Legislature of the State of Alaska, relative to Legislative Resolve No. 19 requesting the United States Congress to accommodate Alaska's unique wetlands circumstances by amending the Clean Water Act to modify the wetlands regulatory program and to recognize Alaska's outstanding history of wetlands conservation; to the Committee on Transportation and Infrastructure.

172. Also, a memorial of the Legislature of the State of Texas, relative to House Concurrent Resolution 137 urging the United States Congress to create a NAFTA Trade Impact Fund under the Intermodal Surface Transportation Efficiency Act to provide border states and communities with funding for transportation infrastructure for the facilitation of free trade and NAFTA-generated passenger and commercial traffic; to the Committee on Transportation and Infrastructure.

173. Also, a memorial of the General Assembly of the State of California, relative to Assembly Joint Resolution No. 5 memorializing the President and Congress of the United States to continue efforts to ensure that veterans of the Gulf War are appropriately cared for, to do everything possible to understand and explain Gulf War illnesses, to put into place those military doctrines, personnel, and medical policies, procedures, and equipment that will minimize any future problems from exposure to biological or chemical agents or other environmental hazards, and to use all means necessary to ensure that Gulf War veterans who placed themselves in harm's way on behalf of all Americans, are provided the assistance, support, and care they deserve; to the Committee on Veterans' Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 12: Mr. MCGOVERN.
H.R. 38: Mr. STENHOLM.
H.R. 56: Mr. LAZIO of New York.
H.R. 96: Mr. KINGSTON.
H.R. 123: Mr. GIBBONS and Mr. RADANOVICH.
H.R. 135: Mr. KIND of Wisconsin.
H.R. 192: Mr. STENHOLM.
H.R. 216: Mr. MANTON.
H.R. 218: Mr. GOODLATTE and Mr. GOSS.
H.R. 234: Ms. CHRISTIAN-GREEN and Mr. BONIOR.
H.R. 282: Mr. SOLOMON.
H.R. 306: Mr. KANJORSKI and Mr. WISE.
H.R. 371: Mr. GILMAN and Ms. FURSE.
H.R. 399: Mr. ENGEL.
H.R. 414: Mr. STENHOLM.
H.R. 458: Mr. SCHIFF.
H.R. 526: Mr. STUMP.
H.R. 543: Mr. BOUCHER, Mr. FILNER, Mr. CHRISTENSN, Mr. CAMPBELL, and Mr. HALL of Texas.
H.R. 559: Mr. WATTS of Oklahoma.
H.R. 598: Mr. FARR of California.
H.R. 610: Mr. BARR of Georgia.
H.R. 612: Mr. ROEMER.
H.R. 628: Mr. PASTOR.
H.R. 634: Mr. HERGER, Mr. SESSIONS, and Mr. NETHERCUTT.
H.R. 674: Mr. EHLERS, Mr. CAMP, Mr. UPTON, Mr. SMITH of Michigan, Mr. HOEKSTRA, and Mr. KNOLLENBERG.
H.R. 678: Mr. BAESLER, Mr. BLAGOJEVICH, Mr. BOUCHER, MR. CLAY, Mr. CLEMENT, Mr. CLYBURN, Mr. COSTELLO, Mr. ENGEL, Ms. ESHOO, Mr. FORD, Ms. FURSE, Mr. GREEN, Mr. HALL of Texas, Mr. HASTINGS of Florida, Mr. HILLIARD, Mr. HINOJOSA, Mr. JACKSON, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. LEWIS of Georgia, Mrs. MCCARTHY of New York, Mrs. MINK of Hawaii, Mr. OWENS, Mr. PASTOR, Mr. RAHALL, Mr. ROEMER, Mr. ROMERO-BARCELO, Ms. SANCHEZ, Mr. SCOTT, Mr. SKELTON, Mr. THOMPSON, Mr. WATT of North Carolina, Ms. WOOLSEY, Mr. WYNN, Mr. YATES, Mr. BALLENGER, Mr. BARRETT of Nebraska, Mr. BARTLETT of Maryland, Mr. BEREUTER, Mr. BUYER, Mr. CAMP, Mr. COBLE, Mr. COBURN, Mr. COLLINS, Mr. COX of California, Mrs. CUBIN, Mr. DUNCAN, Mrs. EMERSON, Mr. EWING, Mr. FAWELL, Mr. GANSKE, Mr. GILCHREST, Mr. GOODLING, Mr. GREENWOOD, Mr. HAMILTON, Mr. HILL, Mr. HOUGHTON, Mr. HYDE, Mr. JENKINS, Mr. KLUG, Mr. LAZIO of New York, Mr. LINDER, Mr. LIVINGSTON, Mr. NEUMANN, Mr. NORWOOD, Mr. ROGAN, Mr. ROHRABACHER, Mr. DAN SCHAEFER of Colorado, Mr. BOB SCHAFFER, Mr. SESSIONS, Mr. SHAW, Mr. SHIMKUS, Mr. SMITH of New Jersey, Mr. SPENCE, Mr. SOUDER, Mr. TALENT, Mr. WHITFIELD, Mr. WHITE, Mr. WOLF, Mr. BOEHLERT, Mr. FRELINGHUYSEN, Mr. GORDON, Mr. MCDADE, Mr. REDMOND, Mr. FOLEY, Mr. WELDON of Florida, Mr. WALSH, Ms. DANNER, Mr. GONZALEZ, Mrs. MALONEY of New York, Mr. MANTON, Mr. MENENDEZ, Mr. OBERSTAR, Mr. SISISKY, and Mr. MCHALE.
H.R. 690: Mr. KUCINICH.
H.R. 715: Mr. FORD.
H.R. 725: Mr. BISHOP, Mr. BEREUTER, Mr. PICKERING, and Mr. WHITFIELD.
H.R. 755: Ms. WOOLSEY, Mr. GANSKE, and Ms. DEGETTE.
H.R. 789: Ms. DANNER.
H.R. 793: Ms. FURSE.
H.R. 805: Mr. PETERSON of Minnesota.
H.R. 836: Mr. HUNTER.
H.R. 859: Mr. BARR of Georgia and Mr. CALVERT.

H.R. 890: Mr. MARTINEZ, Mr. STEARNS, and Mrs. LOWEY.

H.R. 900: Ms. CARSON.

H.R. 974: Mr. ACKERMAN.

H.R. 991: Mr. KING of New York, Mr. FROST, Mr. COYNE, Mr. MCNULTY, Mr. KENNEDY of Massachusetts, and Mr. BERMAN.

H.R. 1010: Mrs. EMERSON, Mr. PARKER, and Mr. PICKERING.

H.R. 1060: Mr. BEREUTER.

H.R. 1062: Mr. WOLF.

H.R. 1070: Mr. KENNEDY of Rhode Island.

H.R. 1100: Mr. GIBBONS.

H.R. 1114: Mr. TOWNS and Mr. FAWELL.

H.R. 1126: Mr. FAZIO of California, Mr. PARKER, and Ms. FURSE.

H.R. 1129: Mr. WEXLER.

H.R. 1153: Ms. STABENOW.

H.R. 1165: Mr. HEFLEY.

H.R. 1215: Mr. FAZIO of California, Mr. PAYNE, Mr. ENGEL, and Mr. MCHUGH.

H.R. 1246: Ms. FURSE.

H.R. 1290: Mr. GILCHREST.

H.R. 1302: Ms. FURSE.

H.R. 1318: Mr. RAMSTAD, Mr. FOLEY, and Mr. BOSWELL.

H.R. 1320: Mr. KUCINICH.

H.R. 1371: Mr. TURNER.

H.R. 1373: Ms. CHRISTIAN-GREEN and Mr. KUCINICH.

H.R. 1391: Mr. ABERCROMBIE.

H.R. 1398: Mr. HILL.

H.R. 1404: Ms. MALONEY of Connecticut, Mr. MEEHAN, Mr. MATSUI, Mr. OWENS, Ms. WATERS, Mr. FORD and Mr. CAPPS.

H.R. 1427: Ms. ROYBAL-ALLARD.

H.R. 1450: Mr. MCINTYRE and Mr. BROWN of California.

H.R. 1453: Mr. LEWIS of Georgia and Mr. KUCINICH.

H.R. 1456: Mr. BARTON of Texas.

H.R. 1493: Mr. STUMP, Mr. HAYWORTH, and Mr. COOK.

H.R. 1497: Mr. FURSE.

H.R. 1507: Mr. MURTHA and Mr. ENGEL.

H.R. 1514: Mr. LEWIS of Georgia.

H.R. 1521: Mr. BROWN of California and Mr. PACKARD.

H.R. 1524: Mr. PICKETT and Mr. SCOTT.

H.R. 1526: Mr. CASTLE.

H.R. 1529: Mr. BROWN of Florida.

H.R. 1531: Ms. WOOLSEY.

H.R. 1534: Mr. STUMP, Mrs. LINDA SMITH of Washington, Mr. LIVINGSTON, Mr. BARR of Georgia, Mr. SMITH of Texas, Mr. PETERSON of Minnesota, Mr. LATHAM, Mr. GRAHAM, Mr. RADANOVICH, Mrs. FOWLER, Mr. BROWN of California, Mr. WELDON of Pennsylvania, Mr. STENHOLM, Mr. CHABOT, Mr. WATTS of Oklahoma, Mr. EDWARDS, Mr. FRANKS of New Jersey, and Mr. CRAPO.

H.R. 1542: Mr. SHADEGG, Mr. RADANOVICH, and Mr. MCKEON.

H.R. 1544: Mr. SANDERS.

H.R. 1573: Mr. STRICKLAND, Mr. FALEOMAVAEGA, and Mr. ENGEL.

H.R. 1574: Mr. GIBBONS.

H.R. 1583: Mr. KUCINICH and Mr. BLUMENAUER.

H.R. 1595: Mr. MCINTOSH, Mr. GRAHAM, and Mr. WICKER.

H.R. 1619: Mr. PICKERING.

H.R. 1625: Mr. PARKER, Mr. COOKSEY, Mr. DICKEY, Mr. CUNNINGHAM, Mr. MCCOLLUM, Mr. CALVERT, Mr. CAMPBELL, Mr. CANADY of Florida, Mr. BEREUTER, Mr. BOB SCHAFFER, Mr. HUNTER, Mr. MANZULLO, Mr. PACKARD, and Ms. GRANGER.

H.R. 1636: Mr. ABERCROMBIE, Ms. MILLENDER-MCDONALD, Mr. STOKES, and Mr. GREEN.

H.R. 1683: Mr. NORWOOD.

H.R. 1685: Mr. NEUMANN, Mr. ABERCROMBIE, Mr. TIAHRT, Mr. STARK, Mr. PASTOR, Mr. BARTON of Texas, Mr. BUNNING of Kentucky, Mr. UNDERWOOD, Mrs. CUBIN, Mr. HEFLEY, Mr. STUPAK, Mr. TORRES, Mr. ACKERMAN, Mr. HALL of Texas, Mr. PICKERING, Mr. KNOLLENBERG, Mr. SOLOMON, Mr. WICKER, Mr. LAHOOD, Mr. KUCINICH, Mr. GREEN, and Mr. MCKEON.

H.R. 1710: Mr. KIM, Mr. FRELINGHUYSEN, Mr. REYES, Ms. SANCHEZ, Mr. CAPPS, and Mrs. CHENOWETH.

H.R. 1711: Mr. SESSIONS.

H.R. 1712: Mr. MINGE and Mr. BOB SCHAFFER.

H.R. 1719: Mr. PARKER.

H.R. 1748: Mr. UNDERWOOD and Ms. RIVERS.

H.R. 1799: Mr. DEFAZIO.

H.R. 1806: Mr. EHLERS.

H.R. 1815: Mr. EVANS, Ms. EDDIE BERNICE JOHNSON of Texas, and Mr. KUCINICH.

H.R. 1824: Mr. ACKERMAN and Mr. ENGEL.

H.R. 1839: Mr. SNYDER, Mr. PICKERING, Mr. DUNCAN, and Mr. ROEMER.

H.R. 1842: Mr. BARTON of Texas.

H.R. 1872: Mr. WHITE, Ms. ESHOO, and Mr. CANADY of Florida.

H.R. 1891: Mr. RAMSTAD.

H.R. 1903: Ms. RIVERS, Mr. ROHRABACHER, and Mr. ROEMER.

H.R. 1909: Mr. SAM JOHNSON and Mr. GRAHAM.

H.R. 1913: Mr. RODRIGUEZ and Mr. LOFGREN.

H.R. 1951: Ms. RIVERS.

H.R. 1975: Mr. BORSKI, Mr. DELAHUNT, Mr. DELLUMS, Mr. EVANS, Mr. FILNER, Mr. GEJDENSON, Mr. KUCINICH, Ms. ROYBAL-ALLARD, and Mr. STARK.

H.R. 1984: Mr. DOOLITTLE, Mr. BOSWELL, Mr. BOB SCHAFFER, Mr. DEAL of Georgia, Mr. MCCRERY, Mr. HUTCHINSON, Mr. WATKINS, Mr. LARGENT, and Mr. PARKER.

H.R. 1991: Mr. MORAN of Kansas.

H.R. 2004: Mr. PARKER and Ms. EDDIE BERNICE JOHNSON of Texas.

H.R. 2009: Mr. CONDIT, Mr. LEWIS of Georgia, Ms. ESHOO, Mr. GUTIERREZ, Mr. DUNCAN, Mr. EVANS, Mr. FROST, Mr. DELLUMS, Mr. MCDADE, and Mr. ROTHMAN.

H.R. 2011: Mrs. EMERSON.

H.R. 2064: Mrs. KELLY.

H.R. 2070: Mr. COBURN.

H.R. 2090: Mr. SMITH of New Jersey, Mr. LANTOS, Mrs. ROUKEMA, Mr. BONIOR, Mrs. THURMAN, Mr. OWENS, and Mr. FLAKE.

H.R. 2094: Mr. DELAHUNT.

H.R. 2095: Mrs. EMERSON, Mr. UNDERWOOD, Mr. BENTSEN, and Mr. SNOWBARGER.

H.R. 2112: Mr. KUCINICH.

H.R. 2113: Mr. GRAHAM and Mr. BONIOR.

H.R. 2121: Ms. DELAURO, Mr. CUMMINGS, Ms. FURSE, Mr. NADLER, and Mr. SMITH of New Jersey.

H.R. 2122: Ms. FURSE and Mr. PARKER.

H.R. 2124: Mrs. MYRICK, Mr. CAMP, and Mr. SAM JOHNSON.

H.R. 2129: Mr. KASICH.

H.R. 2139: Mr. MCDADE, Mr. BOYD, Mr. MARTINEZ, and Mr. BOSWELL.

H.R. 2167: Mr. OLVER, Mr. MANTON, Mr. GEJDENSON, Mr. FROST, and Mr. ACKERMAN.

H.R. 2168: Mr. WHITFIELD.

H.R. 2183: Mr. CAMBELL, Mr. DICKEY, Ms. STABENOW, and Mr. GOODE.

H.R. 2185: Mr. FARR of California, Mrs. KENNELLY of Connecticut, Mr. PASTOR, Ms. FURSE, Ms. SLAUGHTER, Ms. WOOLSEY, Ms. VELAZQUEZ, Ms. ESHOO, Ms. LOFGREN, Mr. PAYNE, Mr. CUMMINGS, Mr. DAVIS of Illinois, Mr. FORD, Mr. JEFFERSON, Ms. MILLENDER-MCDONALD, Mr. RUSH, Mr. FLAKE, Mr. RANGEL, and Mr. STOKES.

H.R. 2191: Mr. DEAL of Georgia, Mr. RIGGS, Mr. HALL of Texas, and Mr. NORWOOD.

H.R. 2198: Mr. LOBIONDO.

H.R. 2206: Mr. COOKSEY.

H.R. 2211: Mr. DAVIS of Illinois.

H.R. 2221: Mr. FOX of Pennsylvania, Mr. TRAFICANT, and Mrs. MYRICK.

H.R. 2234: Mr. STARK, Mr. HASTINGS of Florida, and Mr. KENNEDY of Massachusetts.

H.R. 2248: Mr. KLINK, Mr. BLAGOJEVICH, Mr. CAPPS, Mr. WEYGAND, Mrs. MORELLA, Mr. HAMILTON, Mr. GILMAN, Mr. LANTOS, Mr. WOLF, Mr. BLILEY, Mrs. KELLY, Ms. ROS-LEHTINEN, Mr. ENGEL, Mr. YOUNG of Florida, Mr. SPENCE, Mr. ACKERMAN, Mr. MCGOVERN, Mr. KENNEDY of Massachusetts, Mr. LOBIONDO, Mr. FRANK of Massachusetts, Mr. DELLUMS, Mr. PAPPAS, Mr. TIERNEY, Mr. EVANS, Mr. LEVIN, Mr. PALLONE, Mr. BOYD, Mr. LAFALCE, Mr. KENNEDY of Rhode Island, Mr. HASTINGS of Florida, and Mr. DINGELL.

H.R. 2253: Ms. FURSE.

H.R. 2272: Mr. BARRETT of Wisconsin and Ms. LOFGREN.

H.R. 2283: Mr. FALEOMAVAEGA, Mr. HAYWORTH, and Mr. ADERHOLT.

H. Con. Res. 19: Mr. ACKERMAN, Mr. BROWN of California, Mr. KING of New York, Mr. FRANK of Massachusetts, Mr. PORTER, Mrs. MALONEY of New York, and Mr. DELLUMS.

H. Con. Res. 38: Ms. KAPTUR.

H. Con. Res. 65: Mr. MENENDEZ, Mr. COYNE, Mr. PARKER, Ms. HOOLEY of Oregon, Mr. MCHALE, Mr. KENNEDY of Massachusetts, and Mr. ORTIZ.

H. Con. Res. 68: Ms. FURSE.

H. Con. Res. 80: Mr. GIBBONS, Mr. SHERMAN, Mr. STARK, Mrs. MCCARTHY of New York, Mr. SANDERS, Mr. KUCINICH, Mr. KIND of Wisconsin, Mr. COYNE, Mr. JENKINS, and Ms. SANCHEZ.

H. Con. Res. 83: Mr. DELLUMS and Mr. FROST.

H. Con. Res. 91: Mr. KUCINICH and Mr. BALDACCI.

H. Con. Res. 96: Mr. ENGEL.

H. Con. Res. 106: Mr. TORRES and Mr. CAMPBELL.

H. Con. Res. 109: Mr. STENHOLM, Mr. PAUL, and Mr. SHUSTER.

H. Con. Res. 112: Mrs. MORELLA, Mr. OWENS, Mr. BOYD, Mr. DELLUMS, and Mr. CALVERT.

H. Con. Res. 114: Mr. TALENT, Mr. STARK, Ms. BROWN of Florida, Mr. DELLUMS, Mr. FALEOMAVAEGA, and Mr. CLEMENT.

H. Con. Res. 120: Mr. KLINK, Mr. BLAGOJEVICH, Mr. FRANK of Massachusetts, and Mrs. MORELLA.

H. Con. Res. 121: Mr. PACKARD, Mr. SKELTON, Mr. SPENCE, Mr. GEJDENSON, Mr. SOLOMON, Mr. ACKERMAN, Mr. NEAL of Massachusetts, Mr. DOOLEY of California, Mr. STRICKLAND, Mr. HALL of Ohio, Mr. FRANK of Massachusetts, Mr. BLAGOJEVICH, Mr. MENENDEZ, Mr. DEFAZIO, Mr. FRELINGHUYSEN, Mr. HUTCHINSON, Mr. HAYWORTH, Mr. CANADY of Florida, Mr. ROHRABACHER, and Mr. HUNTER.

H. Con. Res. 126: Mr. SMITH of New Jersey.

H. Con. Res. 129: Mr. CUMMINGS, Mr. MICA, and Ms. FURSE.

H. Con. Res. 134: Mr. NEY and Mr. PORTER.

H. Con. Res. 37: Ms. EDDIE BERNICE JOHNSON of Texas, Mr. BOUCHER, Mr. LAMPSON, and Mr. PASCRELL.

H. Res. 110: Ms. FURSE, Mr. OBERSTAR, and Mr. NEAL of Massachusetts.

H. Res. 119: Mr. REYES and Mr. VENTO.

H. Res. 173: Mr. KENNEDY of Massachusetts, Mr. OLVER, Mrs. CLAYTON, Mr. DAVIS of Illinois, Mr. PASTOR, Mr. TORRES, Ms. LOFGREN, Mr. WELDON of Pennsylvania, Mr. NEY, Ms. ESHOO, Mrs. KENNELLY of Connecticut, Mr. TOWNS, Mr. QUINN, Mr. ABERCROMBIE, Mr. CLEMENT, Ms. HOOLEY of Oregon, Mr. THOMPSON, Mr. KLECZKA, Mr. MCNULTY, Ms. FURSE, and Mr. ENGEL.

H. Res. 200: Mr. SAWYER, Mr. GREEN, Mr. BOUCHER, Mr. KLINK, and Mr. GUTIERREZ.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 303: Mr. CANADY of Florida, Mr. WATTS of Oklahoma, and Mr. OLVER.

PETITIONS, ETC.

Under clause 1 of rule XXII,

20. The SPEAKER presented a petition of the City and County of Honolulu, relative to Resolution 97–150 urging the United States Congress to proceed with the funding of the new aircraft carrier known as CVN–77 and to designate Pearl Harbor as the Home Port of the new carrier or one of its sister carriers; which was referred to the Committee on National Security.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

Treasury and Postal Service, FY 1998

OFFERED BY: MR. MORAN OF VIRGINIA

AMENDMENT NO. 1: Strike Title IV, Section 413, and replace with the following:

SEC. 413. REPEAL OF COOPERATIVE PURCHASING BY STATE AND LOCAL UNITS OF GOVERNMENT; AUTHORIZATION FOR SUCH PURCHASING FOR INFORMATION TECHNOLOGY ONLY.

(a) REPEAL OF COOPERATIVE PURCHASING AUTHORITY.—(1) Effective on the date of the enactment of this Act—

(A) paragraph (2) of section 201(b) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481(b)(2)) is repealed; and

(B) section 4309 of the Clinger-Cohen Act of 1996 (Public Law 104–106; 110 Stat. 670; 40 U.S.C. 481 note) is repealed.

(2) Section 201(b) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481(b)) is further amended by redesignating paragraph (3) as paragraph (2).

(b) AUTHORITY FOR USE OF FEDERAL SUPPLY SCHEDULES FOR INFORMATION TECHNOLOGY.—Section 201(b) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481(b)(2)), as amended by subsection (a), is further amended by adding at the end the following new paragraph:

''(3)(A) The Administrator may provide for the use of the Federal supply schedules described in subparagraph (B) by any of the following entities upon request:

''(i) A State, any department or agency of a State, and any political subdivision of a State, including a local government.

''(ii) The Commonwealth of Puerto Rico.

''(iii) The government of an Indian tribe (as defined in section 4(e) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(e))).

''(B) Subparagraph (A) applies only to the Federal supply schedules of the General Services Administration for general purpose automated data processing equipment (including firmware), software, supplies, and support equipment (as listed in Federal supply classification code group 70, as contained in the December 1993 product and service codes list of the Federal Procurement Data System).

''(C) Subparagraph (A) may not be construed to authorize an entity referred to in that subparagraph to order existing stock or inventory from federally owned and operated, or federally owned and contractor operated, supply depots, warehouses, or similar facilities.

''(D) In any case in which an entity listed in subparagraph (A) uses a Federal supply schedule, the Administrator may require the entity to reimburse the General Services Administration for any administrative costs of using the schedule.''.

(c) REPORT.—

(a) IN GENERAL.—Not later than one year after the date of the enactment of this Act, the Administrator of General Services shall submit to Congress and publish for public comment a report on the implementation of section 201(b)(3) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481(b)), as added by subsection (b). The report shall include the following:

(A) An assessment of the effect on industry, including small businesses and local dealers, of providing for the use of Federal supply schedules by the entities described in section 201(b)(3)(A) of that Act.

(B) An assessment of the effect on such entities of providing for the use of Federal supply schedules by those entities.

(2) SUBMISSION OF COMMENTS TO CONGRESS.—Not later than 60 days after submitting the report under paragraph (1), the Administrator of General Services shall submit to Congress all public comments received on the report.

H.R. 2264

OFFERED BY: MR. HEFLEY

AMENDMENT NO. 25: Page 79, line 13, after the dollar amount, insert after ''(reduced by $50,000,000)''.

H.R. 2264

OFFERED BY: MR. PETERSON OF PENNSYLVANIA

AMENDMENT NO. 26: At the end of title II, insert after the last section (preceding the short title) the following section:

SEC. 213. Of the amounts made available in this title for Federal Administration under the account ''HEALTH CARE FINANCING ADMINISTRATION—PROGRAM MANAGEMENT'', $2,296,000 is transferred from such account and made available, under the account ''HEALTH RESOURCES AND SERVICES ADMINISTRATION—HEALTH RESOURCES AND SERVICES'', for the program under section 330A of the Public Health Service Act (relating to rural outreach grants).

H.R. 2264

OFFERED BY: MR. PETERSON OF PENNSYLVANIA

AMENDMENT NO. 27: Page 69, line 26, after the first dollar amount, insert the following: ''(increased by $85,000,000)''.

Page 69, line 26, after the second dollar amount, insert the following: ''(increased by $85,000,000)''.

Page 73, line 15, after the first dollar amount, insert the following: ''(decreased by $85,000,000)''.

H.R. 2267

OFFERED BY: MR. BASS

AMENDMENT NO. 9: Page 49, strike lines 7 through 13.

H.R. 2267

OFFERED BY: MR. SCOTT

AMENDMENT NO. 10: Page 29, line 10, insert after the amount ''(reduced by $258,750,000)'' and on page 34, insert after the amount in line 13 the following: ''(increased by $258,750,000)''.

H.R. 2267

OFFERED BY: MR. SCOTT

AMENDMENT NO. 11: Page 117, insert after line 2 the following:

SEC. 617. DEATH REPORTING.—Any person who receives any funds appropriated under this Act or any subsequent appropriation for the Department of Justice shall report to the Attorney General the occurrence of the death of any individual who has been placed in custody in connection with an arrest. Such a report shall include—

(1) the name, gender, ethnicity, and age of the deceased;

(2) the date, time, and location of death; and

(3) the circumstances surrounding the death.

The Attorney General shall make an annual report to the Congress giving a statistical report of the information provided in the reports to the Attorney General.

United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 105th CONGRESS, FIRST SESSION

Vol. 143 WASHINGTON, THURSDAY, JULY 31, 1997 *No. 111*

Senate

The Senate met at 9:15 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

The PRESIDENT pro tempore. Today's prayer will be offered by our guest Chaplain, the Rabbi Daniel Cohen, Temple Sharey Tefilo-Israel, South Orange, NJ. We are pleased to have you with us.

PRAYER

The guest Chaplain, Rabbi Daniel M. Cohen, offered the following prayer:

You who are the Source of all goodness and guidance, we give You thanks for the blessing of our great Nation and for all it stands. We acknowledge this day that You are the moral force in our lives and in our world.

Great and gracious God, You are the Source of all blessing showered upon us as individuals and as one national family. Help us to recognize that our greatest strength lies in using the powers You have given us for the good of all humanity. Help us to know daily Your presence in all the world—in each and every moment we live and in each and every individual we meet.

We thank You this day, especially, for those individuals whose commitments and caring have brought them into positions of leadership. Gracious God, give them continued wisdom and insight to lead our sovereign Nation toward fulfilling Your vision of a nation and a world guided by Your righteousness and Your justice. We commit this day to bringing honor and glory to Your great name through our words and through our deeds. Amen.

Mr. LAUTENBERG addressed the Chair.

The PRESIDENT pro tempore. The Senator from New Jersey is recognized.

WELCOMING RABBI DANIEL M. COHEN

Mr. LAUTENBERG. Mr. President, I thank all of you here. I thank our Chaplain, Dr. Ogilvie, and I thank you, Mr. President, for the opportunity to present my rabbi. Youthful though he is, he is wise. I think the Presiding Officer knows one does not have to have age to have wisdom. And we credit Rabbi Daniel Cohen with having wisdom.

This is an honor that I so much wanted to have bestowed upon him because he has earned the respect and the admiration of so many in our congregation. I think about 800 families worship and have their children taught by Rabbi Cohen.

He is a native of New Jersey, as I am. And it is just an honor to have him and Mrs. Cohen, who is witnessing this from the balcony, join us this morning.

Thank you, Mr. President, for the opportunity to hear from Rabbi Cohen.

I am pleased and proud to have Rabbi Daniel Cohen from my own Temple Sharey Tefilo-Israel in South Orange, NJ here today to convene this session of the Senate.

The fact that Rabbi Cohen is here to give this invocation means a great deal to me. It speaks to the diversity of religions and races that make up this body, and this great Nation.

As Rabbi Cohen said, we are all privileged to live in this country. And it benefits us to work together and to use our individual talents to make this place as great as it can possibly be. I couldn't agree more.

Rabbi Cohen and I have similar family backgrounds and share many values.

He and I are respectively the grandson and son of immigrants. We have gotten to where we are today by taking advantage of the opportunities that were given to us, and we are both committed to giving back to the communities that treated us so well.

We both believe in the right and ability of all people to be accepted and get ahead. It is symbolic that the name of our synagogue, ''Sharey Tefilo,'' means the ''Gates of Prayer.'' These gates of prayer to me represent open gates through which people of all faiths and backgrounds should be able to pass in order to succeed, find refuge from persecution, or simply start a better life.

I want to add some quick words about Rabbi Cohen himself:

He grew up in Berkeley Heights, NJ.

He did his undergraduate work at Duke University, getting his degree in anthropology and religion. Some of that time he spent abroad studying in Israel.

He went on to receive his masters in Hebrew letters from the Hebrew Union College-Jewish Institute of Religion, and received his rabbinic ordination in 1993.

He has been with my temple in New Jersey since his ordination, first as a rabbinic intern and then as the assistant rabbi. He currently serves as the associate rabbi of our congregation, enjoying a great deal of respect from members of the temple.

He does a great deal of work in our synagogue with youth groups and educational programming, but has an exceptional ability to reach everybody in the congregation, both young and old.

I want to thank Rabbi Cohen for coming today, and I am proud to have been able to share a bit of my heritage and home State with my colleagues in the Senate.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader, the distinguished Senator from New Mexico, is recognized.

Mr. DOMENICI. Thank you, Mr. President.

I also extend my gratitude to the rabbi, and to you, I say to Senator LAUTENBERG, for having him with us today so he could share with us.

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

SCHEDULE

Mr. DOMENICI. Mr. President, on behalf of the leader, I will make the following statement.

This morning the Senate will immediately resume consideration of the conference report to accompany the Balanced Budget Act, with 1 hour equally divided between the chairman and the ranking member of the Budget Committee. Following the conclusion of debate on the conference report, at approximately 10:15 a.m., the Senate will proceed to vote on the adoption of the conference report.

Following that vote, it is the intention of the majority leader that the Senate begin debate on the conference report to the Taxpayer Fairness Act. As Members are aware, there are also 10 hours of statutory debate time in order for this conference report. Therefore, Members can anticipate additional rollcall votes following the 10:15 a.m. vote. As always, Members will be notified as to when those rollcall votes will be ordered.

Mr. President, I yield the floor.

THE BALANCED BUDGET ACT OF 1997—CONFERENCE REPORT

The PRESIDING OFFICER (Mr. BROWNBACK). Under the previous order, the Senate will now resume consideration of the conference report accompanying H.R. 2015, which the clerk will report.

The assistant legislative clerk read as follows:

Conference report to accompany H.R. 2015, an act to provide for reconciliation pursuant to subsections (b)(1) and (c) of section 105 of the concurrent resolution on the budget for fiscal year 1998.

The Senate resumed consideration of the conference report.

The PRESIDING OFFICER. There will now be 1 hour remaining equally divided between the chairman and the ranking minority member of the Budget Committee.

Who seeks recognition?

Mr. DOMENICI. Mr. President, if my friend from New Jersey has no objection, why don't we just agree that time will expire promptly at 10:15 so everybody will know the vote will start at 10:15.

Mr. LAUTENBERG. No objection.

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

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. I will speak for a couple minutes.

There is a sense of the historical significance of what it is that we are about to do. It is not simply the accomplishment of having put in place a balanced budget. It goes further than that; that is, to note that this agreement has been developed, if I might use the word ''hammered'' out, by bipartisan cooperation. My friend and colleague, the chairman of the Budget Committee, Senator DOMENICI, and I and others, of course, labored long and hard to help present the views of all of our colleagues into an understanding and a package that would be acceptable as a consensus product.

So we are here at this moment, and within 1 hour it is believed that we will have passed this reconciliation bill and will embark upon the work of passing the second reconciliation bill which will complete the task.

I think we have set some records here this year, not only because we will have achieved a balanced budget, which is the best belief of all Members here who will be supporting this, but I took a moment, I say to Senator DOMENICI, to check on where we stand with our appropriations bills. There were 9, I believe, that have been completed, and perhaps a 10th one ready. That is quite fantastic, not yet August and having done those.

I want to say to all of my colleagues, I am proud that we were able to get this job done under fairly stringent conditions. We do not have as much money as we were accustomed to having in the past, but with what we had we made it do very well. We have covered lots of things that needed attention, child health care, assurance of the solvency of Medicare, an opportunity for kids to get an education, to be investing in research in our society, a number of things that are very positive outcomes, again, within the context of the resources we had available.

All Members of both parties deserve to be proud of our accomplishment. We have shown America something, that we can work together for the common good, and at the same time we can be fiscally responsible and we can help prepare for the next century, which is around the corner.

This agreement will lead us, I think, to a positive path as we prepare to enter the 21st century, investing in all kinds of good things, as I have said, and education, particularly, I think as the cornerstone for the development of our society.

The agreement shows that it is not inconsistent to be both fiscally responsible and progressive. There is now broad consensus that we simply have to live within our means, but there is also appreciation that the future will not simply take care of itself. It takes work. We have to prepare for it, investing to make sure that our people are ready for it.

That is what we are doing in this legislation: getting our fiscal house in order. We are investing in our children. We are extending the educational opportunities for millions of Americans. In short, we are getting ready, and our children and grandchildren will reap the rewards in decades ahead.

So, Mr. President, I am proud to be here as this balanced budget legislation is approved. We want to see it get to the White House. It is a moment in history, and I hope it will be regarded as a very positive moment in the record books years from now. I am grateful and proud to have been a part of the process.

I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, the distinguished Senator, Senator THURMOND, has asked me if he might speak as in morning business for 3 minutes. I ask unanimous consent that he be permitted to do that and it come out of my time on the bill.

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

(The remarks of Mr. THURMOND pertaining to the submission of S. Res. 111 are located in today's RECORD under ''Submission of Concurrent and Senate Resolutions.'')

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I will save a few remarks until just before the vote. Certainly, if anybody else on our side wants to speak, they are welcome. Nobody is bound to speak, but if they would like to, we have 15, 20 minutes on our side.

I would like to make just a few comments about some of the processes we have been involved in and thank a few people.

Mr. President, I do not believe 15 years ago that anybody assumed the Budget Act could be used to balance a budget as we are doing it here today. The reconciliation instruction and then the reconciliation bill are strange-sounding words and a strange-sounding name for a bill. But essentially we have, by evolution and development and some changes in the law, permitted a budget resolution which does not involve the President; it involves just a majority vote in both Houses. We permitted it to be used to force the passage of reform legislation or tax bills such as the one we have before us.

I think everybody should recognize a couple of very interesting historic evolutions as this process developed. One is the adoption of the Byrd rule by the U.S. Congress as part of the law that applies to the Senate of the United States. And, obviously, one need not search as to where that came from. It came from Senator ROBERT BYRD.

Essentially, one of the Parliamentarians has praised it this way, that the Byrd rule limits our ability to ride the budget horse into passing all kinds of legislation that have little to do with the budget.

I am very pleased to say, and I was able to say to the distinguished Senator BYRD yesterday, that when you put a bill together as large as this, with as many committees and as many innovative minds, you cannot help but try to ride the budget horse beyond what it ought to be used for. There were many, many, I would say scores of legislative language that violated this rule as this process was evolving and these bills were getting developed, because the rule is a tough rule and it has great, great impact in that those provisions are stripped from the bill if they are subject to a Byrd rule. Then we were able to bring down the scope and numbers to a very, very small number that remained as of yesterday, and I am very pleased, working together, everybody has come up with the conclusion, from what I can tell, that whatever Byrd rule language or violation of Byrd rule language is in this bill has been thought by almost everyone to be necessary and something that we can leave in the bill. I am very pleased with that. I must make sure everybody knows that there were many, many more before we exerted the power and pressure of the Byrd rule. And I think that bodes well in terms of not abusing the process.

Having said that, Mr. President, again, I yield the floor. If anyone else on our side would like to speak, time is available to them. I suggest that if no one is speaking, the time be charged equally, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

LIMITED TAX BENEFITS IN RECONCILIATION

Mr. DOMENICI. Mr. President, as required by the Line-Item Veto Act, the Joint Committee on Taxation has informed the conferees that the conference report on H.R. 2015, the Balanced Budget Act of 1997, contains one limited tax benefit. It can be found in section 5406 and concerns the treatment of services performed by certain inmates. As required by the Line-Item Veto Act, section 9304 of the conference report specifically designates section 5406 as a limited tax benefit and as such, it is therefore subject to the President's cancellation authority under the Line-Item Veto Act.

Mr. FRIST. Mr. President, today represents an enormous accomplishment for me and for the Republican Party. The budget agreement now before us is the culmination of years of hard work and concerted effort. I want to especially commend Chairmen DOMENICI and ROTH for their hard work and diligence. I have thoroughly enjoyed working with Chairman DOMENICI on the Senate Budget Committee and commend him for his extraordinary efforts to broker this agreement. My staff affectionately calls him "the legislative warrior" and I agree. He has fought a major battle for the Republican Party and the American people this year—a battle to balance our Federal budget and to eliminate our Federal deficit.

Three years ago, as I campaigned across the State of Tennessee, I listened to the concerns of the people that I met and I made some promises to them. These men and women were concerned about the amount of money they were able to bring home after Uncle Sam had taken his share. They were outraged by a government that was unable to live within its means. They were worried about their retirement and the continued existence of Medicare and Social Security.

I promised the people of Tennessee that we would do something about these concerns. I promised them that we would give them tax relief, so that they would be able to keep more of what they make and decide for themselves how to spend, save, or invest their hard-earned money. I promised them that we would pass a balanced budget—the first since 1969—and eliminate our Federal deficit. And I promised them that we would protect, preserve, and strengthen Medicare and Social Security to ensure that these programs would still be around for their children and their children's children.

I am proud to be able to return to Tennessee and tell my friends, relatives, and neighbors that we have made good on two of these promises and have taken the first steps toward fulfilling the third. The bills that we will pass over the next couple of days will give hard-working Americans the largest tax cut that they have seen in 16 years—over $90 billion. This tax relief will benefit Americans of all ages and in all tax brackets. We have included tax credits for children and for education and capital gains and estate relief. Almost 80 percent of these benefits go to families earning less than $75,000 a year.

Over 43 million parents will owe $500 per child less in taxes. Taxpaying students and nearly 5 million parents of kids in college will owe $1,500 less per student in taxes as a result of the college tuition credit.

Last year, 2.4 million Tennesseans filed tax returns with the Internal Revenue Service. Over the last 16 years, these taxpayers have not seen one tax reduction—only increases. As the cost of raising a family and sending kids to college has become increasingly expensive, the value of the personal exemption has dropped dramatically. In 1948, the average American family paid about 3 percent of its total income to the Federal Government in taxes. Today, that family is paying closer to 25 percent.

The Federal Government claims approximately 19 percent of every paycheck that an employee in Knoxville, TN who makes $22,000 a year takes home. That $22,000 figure doesn't mean much to her—she sees only $17,820—and that's before State and local taxes take their bite. The time has certainly come to give these hard-working people some much-needed tax relief.

In addition to the $500 per child tax credit and the $1,500 college tuition tax credit, the tax package will cut the capital gains tax rate from 28 to 20 percent for the highest bracket and from 15 to 10 for the lowest. It will raise the exemption for taxable estates and family-owned businesses and farms. And it will expand the options for individual retirement accounts.

Despite the belief that a capital gains tax cut is only for the rich, in 1995, more than 226,000 Tennesseans paid capital gains taxes to the tune of $2.65 million. More than half of these—160,786 to be exact—had incomes of $75,000 or less. And 40,000 of those who paid tax on capital gains actually had an income of less than $15,000.

This budget package will also balance the budget by 2002 and restore fiscal responsibility to our Federal Government. For years, Republicans have called for a balanced budget and an end to the reckless spending for which Washington to famous—or rather infamous. A balanced budget will lower interest rates, and generate higher economic growth—including more jobs and lower inflation. An article in this week's Washington Post touted that the "Deficit Effort Really is 'a Big Deal'." Benjamin Friedman, a Harvard University economist, noted:

> For every dollar that the government doesn't have to borrow, there's an extra 50 cents invested in new plant and equipment by American businesses. And experience shows that investment eventually raises profits, wages and the U.S. standard of living.

The challenge before us now is to keep the Federal budget in balance—and I am committed to ensuring that we do that.

The third promise was one to protect Medicare and Social Security. We have made a first step toward strengthening Medicare by cutting $115 billion to health care providers and extending the life of the Medicare trust fund for 10 years. But I remain deeply disappointed that the Senate-passed provisions that would have enacted structural changes in the Medicare Program were excluded from this conference agreement. I have spoken many times about the need for entitlement reform. And unfortunately, this budget does nothing to address it. If we do nothing, entitlement spending and interest on the national debt will consume all Federal revenues by 2012—leaving not a single dollar for important Government priorities like roads, education, national defense, and medical research.

The Medicare trust fund will become insolvent in 10 years. Real, structural reforms are absolutely necessary to preserve Medicare for our children and our children's children. In 2010, the cash flow of the Social Security trust fund turns negative and by 2029, the Social Security trust fund will be bankrupt. This must be the next priority of the U.S. Senate.

For years, our focus has been to balance the budget. Today, we have achieved that goal. I join with my colleagues to congratulate the Congress and the White House on working together, in a bipartisan fashion, to bring real fiscal responsibility back to Washington.

But we must look ahead to tomorrow and pay close attention to the impending fiscal disaster that lies ahead if we do not make some hard choices to reform our entitlement spending. Today, 200,000 Americans turn 65 every year. By 2011, 1.5 million Americans will turn 65 every year. Today, 3.3 workers pay for the benefits that every retiree receives from Medicare and Social Security. By 2025, there will be only two workers to pay for each beneficiary. It is clear that something must be done.

Mr. President, I am delighted that we have made a considerable downpayment on our promises to the American people with this budget package and I look forward to the challenges ahead.

CLARIFICATION OF TWO PROVISIONS IN THE BUDGET AGREEMENT

MR. KENNEDY. Mr. President, I would like to clarify two items of concern in the budget agreement.

Last year, when Congress passed the welfare reform bill, it granted States the authority to deny State and local public benefits to certain immigrants. Included in that bill was a provision that exempts nonprofit charitable organizations from verifying immigration status.

The conference report on the budget bill explicitly grants the States authority to require immigrants to provide proof of eligibility for State and local public benefits. This new provision allows States to ''require an applicant for State and local public benefits (as defined in section 411(c)) to provide proof of eligibility''. Section 411(c) refers to the definition of State and local benefits in title IV of the welfare bill.

It is my understanding that this provision does not grant the States authority to require charities to conduct immigration verification for State and local public benefits. The nonprofit exemption in section 432 of the welfare bill explains that a nonprofit charity, in providing ''any State or local public benefit (as defined in Section 411(c)) * * * is not required under this title to determine, verify, or otherwise require proof of eligibility * * *.'' As Congress has plenary power in the immigration arena, it seems that States may not add a requirement for charities to verify immigration status without express authority from Congress. States were not granted that authority in last year's welfare bill, and States are not granted that authority in this budget bill.

Since the clarification of State verification authority is being inserted into title IV of the welfare reform law, the nonprofit exemption applies. Authority, if any, to require charities to conduct immigration verification would have to be found in a distinct, express grant of Federal authority outside title IV of the welfare bill.

I would also like to clarify that under the conference report on the budget bill, refugees, asylees, and certain other immigrants currently receiving SSI will not lose their eligibility for SSI.

Section 402 of last year's welfare law instituted a bar on SSI for certain qualified aliens. Section 402(a)(2)(A) created an exception to this bar for refugees. Refugees can receive SSI benefits for five years from the date they are admitted into the United States.

The conference report on the budget bill modifies these provisions in two ways. First, the conference report extends the refugee exception from 5 years to 7 years. An additional, separate provision of the conference report, section 402(a)(2)(E), creates a new exception to the bar on SSI benefits which reinstates SSI benefits for qualified aliens receiving benefits on August 22, 1996.

For refugees, these are two independent sources of SSI eligibility. It is my understanding that refugees not receiving SSI benefits on August 22, 1996 will qualify for SSI through section 402(a)(2)(A) for a period of 7 years. Refugees already receiving SSI benefits on August 22, 1996 will be eligible to keep those benefits, even after their 7 years has expired, under section 402(a)(2)(E) without regard to the 7 year cutoff.

Thank you for letting me briefly clarify those two points, Mr. President.

TITLE XI OF H.R. 2015

Mr. HATCH. Mr. President, I would like to commend the chairman of the Budget Committee, and the distinguished majority leader, on the inclusion of a little noticed provision in this conference report. I am referring to the National Capital Revitalization Act. This provision is, in my view, an important step in cleaning up the District of Columbia and making our Nation's Capital City once again the safe and beautiful place we all expect it to be.

Among other important changes, this bill completely overhauls the District of Columbia's broken criminal justice system. If implemented properly, I am certain that this legislation will result in a criminal justice system for the District of Columbia that is fairer for the victims of crime, that appropriately punishes criminals, and that incarcerates criminals in a secure, appropriate environment.

I see that my colleagues from Kansas and Florida are on the floor, and I would like to commend them for their hard work on this issue, as well. They have worked tirelessly to see these provisions included in the budget reconciliation conference report.

Mr. President, I am committed, as I know my colleagues are, to ensuring that these provisions are implemented in the most effective manner. A number of the provisions in the National Capital Revitalization Act, particularly as they relate to, among other things, the transfer of District of Columbia corrections functions to the Federal Bureau of Prisons and the assumption by the U.S. Parole Commission of parole functions of the District government are issues within the authorizing jurisdiction of the Judiciary Committee. I would like to ask my colleagues, the Senator from Kansas and the Senator from Florida, if this is their understanding, as well.

Mr. BROWNBACK. I thank the Senator from Utah for his kind remarks, and note that I agree with his assessment. I look forward to working with him and the Judiciary Committee on the important work of ensuring effective implementation of the National Capital Revitalization Act.

Mr. MACK. I also appreciate the comments of the chairman of the Judiciary Committee, and agree with him that the Judiciary Committee has jurisdiction over a number of these matters. I share Senator HATCH's commitment to a safe and beautiful national capital, and look forward to working with him to implement this important act.

Mr. HATCH. Mr. President, I thank my colleagues for their comments, and look forward to working with them as implementation of the National Capital Revitalization Act goes forward.

Mr. FAIRCLOTH. Mr. President, I am compelled to vote against H.R. 2015. This legislation will put us on a track to reduce the deficit. It will save us more than $1 trillion over the next 10 years. It puts binding caps on spending increases, so that a super majority will have to vote to increase spending. The bill continues the pay-as-you-go provisions of past budget deals, so that any new spending has to be offset by other spending reductions. It seeks to make Medicare solvent for the next 10 years and creates a National Bipartisan Commission on the Future of Medicare to address the long term solvency of Medicare.

Regrettably, while all of the aforementioned is positive, there are significant drawbacks in this bill.

First and foremost, the legislation raises taxes on tobacco by 15 cents a pack. When I was elected, I said I would never vote for a tax increase and I never have. This is a clear and punitive tax increase on tobacco. If we needed this revenue to reduce the deficit, rather than raising taxes, we could have cut more wasteful and unnecessary spending. We should have done that.

Second, while the bill puts us on a path to deficit reduction, it raises the debt ceiling which allows the Treasury to go $450 billion deeper in debt than we already are. I think that being $5 trillion in debt is shameful enough. We do not need to raise the debt ceiling.

Third, Mr. President, this legislation weakens last year's welfare law. When I ran for the Senate, I said that I wanted workfare, not welfare. Last year, we passed landmark legislation to end the welfare system as we know it in the United States. But it became clear soon after the bill was signed into law that the President was not committed to welfare reform. Just weeks after the bill was signed by the President, he went to the Democratic Convention in Chicago and promised to undo it next year. This bill weakens the work requirements. It builds in more flexibility to the work program. In Washington, flexibility is a code word for weakening, and that is what we have done to the work requirements for food stamp recipients.

Not only have we weakened the welfare law, but we have restored $11 billion in welfare benefits for noncitizens. We seemed to have forgotten that welfare was and is a failure. Putting more people on welfare doesn't help society. But that is what we have done in this bill. We have increased the welfare roles, and we have added people who are not even American citizens. The very fact that non-citizens are receiving welfare is testimony to a system that has gotten out of control. Welfare is also prone to great fraud. Why else would we have to clarify that a noncitizen who is receiving welfare from the U.S. Government must actually be residing in the United States. Can you imagine that we would be paying welfare to people who are not even living in the United States.

Mr. President, we have also created a new program regarding welfare. We are spending $3 billion to put welfare recipients to work. Welfare reform was supposed to save money and now we are spending money to reform welfare. Again, this kind of backward logic only seems to work in Washington. I am supportive of helping move welfare recipients to work—but another Government jobs program is not what we need.

Mr. President, as I said, there are many good aspects to the bill, but it violates the fundamental promises I made to the people of North Carolina when I ran for the Senate regarding welfare and taxes. I will not break my word to the people that supported me in 1992, and I will not vote for this bill.

Ms. MIKULSKI. Mr. President, I am pleased to be able to support the conference reports on the Balanced Budget Act and the Taxpayer Relief Act. Together, these bills will bring us to a balanced budget by the year 2002, while providing vitally important investments in education, in children's health, and in economic development.

I believe that my job as the Senator from Maryland and the Senator for Maryland is to save jobs, save lives, and save communities. I believe these bills will help us to do all three.

These bills address the day-to-day needs of America's families, and they keep faith with America's seniors. They open the doors to opportunity and give help to those who practice self help.

Mr. President, I am particularly pleased that the conferees rejected the unnecessary and harmful structural changes in the Medicare Program. As my colleagues know, I adamantly opposed the means testing of the Medicare program, and the change in the age of eligibility for Medicare from 65 to 67. Such major changes should not be considered without Presidential leadership and a national discussion. I am pleased that these changes were not included in the final budget package. I believe the commission established by this agreement is a better way of addressing the long-term solvency concerns of Medicare.

There is much good news for senior citizens in the Medicare portions of this budget. We have ensured the solvency of the Medicare Program for at least the next 10 years. We have provided funds for critical new preventive care benefits, by expanding coverage for mammography and colerectal screening, and by improving self-management of diseases like diabetes. These are investments that will pay off, improving the health of Medicare beneficiaries and saving lives.

Having said that, however, I am disappointed with other cuts that these bills make in the Medicare Program. It is disturbing that the Federal guarantee of adequate reimbursement rates to nursing homes has been abandoned. I believe this will put nursing homes in a budget squeeze and will have a negative effect on the quality of care that we provide to our most fragile elderly. I am also disappointed with the excessive cuts in the reimbursement rates for such key services as home oxygen therapy. I believe seniors will be hurt by this change. I hope that we will have an opportunity to revisit these issues in the future.

This legislation also will provide a tremendous investment in the health of America's children. The $24 billion provided for health care for uninsured children in this bill is the single largest increase for children's health efforts in over 30 years.

Mr. President, there are 10 million uninsured children in this country; 1 in 8 of the children in my own State of Maryland have no health insurance coverage. It is really shameful that we have allowed so many children to be at risk.

I believe we have to do all we can to ensure that no child goes without adequate health care. I wish we could have reached every uninsured child with this bill. I pledge to do all I can to work toward that goal. While it does not reach 100 percent coverage for our children, I do believe that this bill makes tremendous strides in the right direction.

Over 5 million children who currently have no health care will now get their immunizations, early screening, and other health care services. We have taken a great step in ensuring healthy children who are ready to learn and ready to succeed.

I like this budget package because it also opens the doors to education for young people and to people seeking to further their education. The $1,500 HOPE scholarship contained in this bill will help to make available to every student the first two years of college. The tuition tax credit the bill provides for juniors, seniors, and graduate students will enable thousands more young people and returning students to get the education and skills they'll need to succeed in the 21st century.

The tax provisions of this package will provide much needed tax relief for working families, for family-owned businesses and farms, and for those who have invested in their homes and communities. This bill is good for those who work hard, play by the rules, and pay their taxes.

The child tax credit will provide relief to some 27 million families. When the credit is fully phased in, families with children under 17 years of age will be able to claim a $500 per child credit. We ensure that working families who qualify for the earned income tax credit—who may not pay income taxes but who do pay payroll taxes—will also benefit from the child tax credit. That means we will provide help to families with incomes below $30,000—from the firefighters in Baltimore County to the watermen on the Chesapeake Bay. They work hard, they contribute to our economy and our communities, and they deserve our help.

This bill rewards investment and thrift. It will allow Americans who have invested in their communities by the purchase of a home to be able to recoup their investment when they sell that home, without being subject to onerous capital gains taxes. It ensures that people who have built a family farm or a small business with a lifetime of hard work can pass that enterprise on to the next generation.

It encourages savings. The bill's new IRA provisions will reward those who practice self help, by increasing access to IRA's, and by allowing withdrawals from IRA's for the first-time home buyers and for educational purposes.

Mr. President, this budget package does not provide everything I would like, and I do not like every provision of this package. But I believe overall, this is an agreement well worth supporting.

These conference reports finish the job the Congress began in 1993, when the President and congressional Democrats passed the deficit reduction bill. In 1992, our deficit was $290 billion. This year, it will be less than $45 billion. This historic economic plan started us on the road to elimination of our deficit. The bills we are passing this week will finish the job we began in 1993.

This is a victory for fiscal responsibility. It is a victory for America's families. It keeps faith with our seniors, opens the doors of opportunity to those seeking an education, protects children's healthy and rewards those who save and who invest. I am proud to support it.

DUOPOLY AND NEWSPAPER-TV CROSS OWNERSHIP

Mr. KERREY. Mr. President, I share Senator HOLLINGS' concern that the provisions in the reconciliation bill on the duopoly and newspaper-TV cross ownership rules which affect television broadcast license ownership violate the Byrd rule.

The duopoly rule limits the number of television stations a single person can own in a market and the newspaper/broadcast cross ownership rule makes it difficult for newspapers to own a television station in the same market where it publishes a paper to assure that there is not a monopoly on information.

The conference provisions violate the Byrd rule because they make substantive changes in policy which have no budgetary effect.

At a time when the Congress and the American people are concerned about the growing concentration in the broadcast industry, this is not the time or place to consider these changes.

The Congress ordered the Federal Communications Commission to review the duopoly rule in 1996. The budget agreement should not pre-empt that review.

I join my colleagues in observing that a point of order would lie on the broadcast provisions of this bill.

Mr. CAMPBELL. Mr. President, back in May of this year, the leadership and the administration reached a historic agreement. That agreement was then supported overwhelmingly by the House and the Senate when the concurrent resolution on the budget for fiscal year 1998 came before the two bodies for consideration, putting forth the blueprint by which the Federal Government could reach a balanced budget by the year 2002.

This week the Congress and the administration have reached yet another monumental agreement, ensuring passage of the Balanced Budget Act of 1997 and its companion, the Taxpayer Fairness Act. These two bills, together, put forth the spending and revenue changes for the next 5 years. And, the passage of these measures and their subsequent enactment into law will signify the first balanced budget since 1969. For 28 years, the Federal Government has run a deficit and has talked about the need to balance the budget. Finally, due to the extraordinary leadership of the House and Senate, as well as the incredible amount of bipartisanship and cooperation, Americans are witnessing the Federal Government take the necessary action to get its fiscal house in order.

The tax portion of this agreement will provide Americans with the first major tax cut in 16 years. This bill provides for a net tax cut of more than $90 billion over the next 5 years. This is slightly more than the $85 billion agreed upon in the budget agreement of earlier this year, and I am delighted that the budget negotiators were able to provide a little extra for this country's hard-working families and individuals.

Specifically, this bill is an investment in our children. After years of trying to get a child tax credit enacted, the Taxpayer Fairness Act will provide families with a $500 per child tax credit for children under the age of 17. Over the years I have received many a letter from Coloradans who are supportive of this tax credit, and finally, they are going to be able to take advantage of it. Imagine what a family of four can do with a $1,000 credit. They can use the money to invest in their two children's education. They can put the money toward a downpayment on a house or simply use the money to ease their financial burdens. This child tax credit will mean different things to each of the millions of families that is eligible for it. But what it means to me is that this Government cares enough about this country's children and the hard-working parents struggling to raise their children to offer them some much-needed and well-deserved tax relief.

And the benefits for families and their children do not stop there. Once a child is ready to go on to higher education, millions of taxpayers will benefit from the tuition tax credit and millions more will benefit from the student loan interest deductions.

Equally important to my home State of Colorado are the benefits from capital gains and estate tax relief. I cannot begin to quantify how many Coloradans—homeowners, small business owners, farmers, ranchers—have written or spoken with me over the years urging the Federal Government to ease the burden from these taxes, and while I would have liked to see these provisions go a little farther, I am pleased about the benefits this bill will bring to the many farmers, ranchers, and small business owners in my State. Capital gains and estate tax relief, in combination with other tax provisions in this bill including IRA expansion, will contribute to economic growth and create jobs, thereby once again assisting America's families.

In all, the tax bill represents a major step forward for the economy as a whole and for the pocketbooks of taxpayers. Out of every dollar earned by an individual today, roughly 25 cents of that goes toward the individual's Federal tax burden—this is just the Federal taxes. And, today, we are going to do some truly significant by passing a bill which will provide major tax cuts, benefiting Americans at every stage of life.

While the accompanying spending bill is more contentious by nature, it provides for several important and necessary reforms to our Nation's largest entitlement programs. The Medicare Program, which was facing certain insolvency within the next 5-year span of the balanced budget agreement, is now actuarially sound for the next decade. Most importantly, the savings achieved in the program are not unfairly achieved on the backs of beneficiaries, but rather through expanded choice, competition and a curbing of the rampant fraud and abuse. The Department of Health and Human Services cites $23 billion in fraud and waste under the current Medicare structure. This bill finally provides us with a mechanism to protect those taxpayer dollars.

Further reforms in Medicaid, the section 8 assisted housing program, and improvements to the welfare to work legislation of last year have resulted in a historic starting point for meaningful and fair reform. I make no bones about my dissatisfaction with certain provisions included in the bill, as well as the exclusion of others, and I look forward to working with my colleagues to address these concerns. However, the benefits and the great need for the reforms this legislation precipitates have won it my support.

On a larger scale, this tax bill and the Balanced Budget Act, taken together, will finally get the budget balanced. Since first coming to Congress in 1987 as a Member of the House of Representatives, I have been a proponent of a balanced budget and have supported efforts to achieve this goal. And, I am pleased to be here today to be a part of this historic moment. I would be completely remiss if I did not acknowledge the hard work of the House and Senate leadership, including the chairmen and ranking members of the Budget and Ways and Means committees. In 10 years in Congress, I have never before witnessed a budget bill, and a balanced one at that, which has passed with such ease and cooperation. With that, Mr. President, I will vote for these two bills, and I yield the floor.

Mr. FEINGOLD. Mr. President, I want to offer a few comments on the recently negotiated bipartisan budget agreement. The past few months have been truly historic. We have seen both parties come to the table in good faith and negotiate a budget agreement that puts us on the track toward a balanced unified budget. And all of that has been done without a constitutional amendment to balance the budget. Indeed, as I have noted before, I am convinced the presence of such an amendment would only have delayed such an agreement, perhaps by a decade or more.

Mr. President, balancing our budget has been my highest priority as a Member of this body. I ran on that issue in 1992, and I am pleased that we will enact a budget package that puts us on track to achieve that goal.

As we congratulate ourselves on fashioning this agreement, however, we should recall that this agreement would not have been possible without the President's deficit reduction package enacted in 1993, a package some now estimate will achieve approximately $2 trillion in deficit reduction between 1993 and 2002. The heavy lifting needed to balance the budget was done in that package, and while this budget agreement puts the finishing touches on the work of eliminating the deficit, it was that 1993 budget package that made it much easier to reach an agreement.

But Mr. President, though I am pleased we are on track to balancing the unified budget, I have mixed feelings with regard to the specifics of the tax cutting aspects of the bipartisan agreement. As the headline of the editorial in yesterday's Milwaukee Journal Sentinel stated, this budget deal is well-intentioned, but flawed. I am particularly concerned at what appears to be backsliding on our commitment to fiscal prudence and responsible budgeting by passing a tax cut before we have eliminated our budget deficit. As the editorial stated, "any balanced budget strategy that also cuts tax revenue is inherently risky."

The tax-cut package in this agreement has the strong odor of business as usual about it, a return to the 1980's when politicians stumbled over themselves to promise newer and bigger tax cuts without regard to our budget deficit. The result was an explosion of deficits and debt which has taken years to contain. Even now, we are still coping with the legacy of fiscally irresponsible tax cuts.

I was the first Member of either body to oppose the tax cut proposals of both parties nearly 3 years ago, and I am disappointed to see that some of the concerns I expressed then have been realized. Instead of remaining focused on how to balance the budget in the near term and how to address the fiscal pressures facing the budget in the long term, much of the discussion between the negotiators of both parties amounted to a tax cut auction, with each side bidding up their own favorite tax cuts in an appeal for political credit.

As I noted almost 3 years ago, a tax cut bidding war will only serve to undercut the efforts we have already made and the work which remains to get our budget under control. Aside from the fiscal hole tax cuts produce, they divert us from the tough and unpleasant task of finding needed spending cuts.

Mr. President, who wouldn't rather talk about cutting taxes than cutting programs that people like? Unfortunately, to some extent, this is what has happened in the budget agreement, with the result that the goal of a balanced budget may be taking a back seat to the more politically appealing debate of how to cut taxes.

The evidence is fairly compelling in this regard, Mr. President, and both political parties are at fault. The movement of any tax-cut bill while we are still experiencing budget deficits is the most obvious sign. Moreover, that tax cut measure has grown over the past few weeks. In order to accommodate all their constituencies, negotiators for both parties produced a tax cut package even bigger than the plan agreed to this spring.

And, there is reason to believe that in order to accommodate this expanded tax-cut package, the budget negotiators resorted to what some would describe as accounting gimmicks.

Mr. President, these signs all indicate a potentially troubling trend. The desire of the negotiators for an even larger tax cut was such they were willing to resort to cooking the budget books. It is fair to conclude the national priority of fiscal prudence and a balanced budget are in danger of being pushed aside by politically motivated tax-cut proposals.

Mr. President, let me be clear. I very much want to support a significant tax cut, but I won't support one until we balance the books. We do a disservice to those who elect us if we help shift the focus away from fiscally sound budgeting and instead promote self-serving but fiscally irresponsible tax cuts.

At the time we passed the budget resolution, I expressed my concern that while the tax cut agreement might be sustainable as part of the shorter-term budget resolution, it could become unsustainable in the long run, and I am concerned that this is just what happened.

The tax-cut package which passed the Senate was heavily backloaded with an annual cost of $54 billion. The negotiated tax-cut package produced by the conferees is even worse, and while accounting gimmicks and timing shifts might help achieve technical balance in 2002, they do not alleviate the problems we will face when the retiring baby boomer generation will put increased pressure on the budget. According to analysis done by the tax watchdog group Citizens for Tax Justice, the actual annual cost of this tax measure will be $64 billion, even larger than the cost of the bill as it left the Senate, and over twice the annual cost of the President's proposed tax cut.

Mr. President, as I noted before, I very much want to support a tax cut, but it simply isn't fiscally responsible to enact a tax measure with an annual cost of $64 billion before we have balanced our budget.

Balancing the budget must be our first priority, and this tax measure is inconsistent with that goal.

Having noted my concerns about the tax package, however, let me conclude by expressing my support for the reconciliation measure which cuts spending. As I noted earlier, the bipartisan package is truly historic, and I applaud the work done by the negotiators from both parties who helped craft that measure.

Certainly more needs to be done. The Medicare Program needs to be further strengthened and modernized, as does the Medicaid Program. As I have stated frequently, one of our highest priorities must be to reform our current long-term care system which is largely funded through Medicaid. I have introduced legislation which would implement reforms in this area, and I very much hope we can begin that absolutely critical task soon.

We also need to continue to cut spending in Federal programs. Though we may be on track to achieve balance in the unified budget by 2002, we must dedicate ourselves to achieving the next goal of ridding the Federal budget of its dependence on the surpluses generated by the Social Security trust fund. Those surpluses mask our true budget condition, and if we are to ensure retirees will receive the benefits to which they are entitled, we need to pursue further spending cuts now.

We must cut spending also to begin to pay down the massive national debt, the bulk of which was generated between 1980 and 1992, and which continue to require increasingly large interest payments—payments that account for a growing portion of our annual budget.

We must cut spending also so we can enact a fiscally responsible tax cut, one whose benefits are distributed equitably to families at all income levels.

Finally, we need to cut spending to ensure Government works more efficiently and effectively and to bolster the credibility and national confidence in our Government.

The work of cutting spending and reducing the deficit which was accomplished by the 1993 budget package, and to a lesser extent by the bipartisan budget plan negotiated this week, must continue. I very much hope the bipartisan efforts which led to this year's agreement can continue as we pursue those further spending cuts.

I congratulate the negotiators from both parties for their efforts on the reconciliation measure which does the real work, the spending reduction measure, and look forward to working with them in taking the next steps toward further spending cuts to balance the budget without using Social Security trust funds, begin to pay down the national debt, fund a fiscally fair and responsible tax cut, and to make Government programs more efficient and more effective.

Mr. President, I ask unanimous consent that the text of the editorial titled "Budget Deal Well-Intentioned, But Flawed" from the Wednesday, July 30, 1997 Milwaukee Journal Sentinel be printed in the RECORD.

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

[From the Milwaukee (WI) Journal Sentinel, July 30, 1997]

BUDGET DEAL WELL-INTENTIONED, BUT FLAWED

Americans deserve a tax cut, but even more they deserve relief from the $5 trillion debt that is burdening them with yearly interest payments of more than $200 billion. The budget deal agreed to Monday by Republicans and Democrats won't ease that burden, which is the chief reason this plan isn't as good as it may seem.

The historic agreement ostensibly would balance the budget for the first time in nearly 30 years and cut taxes significantly for the first time since 1981. Among other things, the measure would grant tax credits for children and reduce the tax on capital gains.

The measure will be popular, which helps explain why GOP and Democratic leaders were telling each other how cooperative and constructive they were. Why is such cooperation missing, however, in reforming scandalous campaign finance practices by both parties?

Negotiators deserve credit for writing a blueprint to balance the books in five years.

But any balanced-budget strategy that also cuts tax revenue is inherently risky. If spending increases threaten to produce red ink—and they do— so do tax cuts. Reducing revenue is premature.

It's true that the health of the national economy makes tax cuts less risky than they would have been three or four years ago. But if history is any guide, the boom won't last forever. The stresses on the economy will become more intense after five years have elapsed, when large numbers of working men and women will retire. Unless more is done to curb the growth of entitlement programs such as Social Security, the deficit—and, thus, the national debt—will begin to soar again.

Wisely, the negotiators agreed to raise cigarette taxes to help provide health care for poor children. They also abandoned a proposal—it would have made tax-filing even more mind-numbing than it is now—that would have allowed investors to subtract the effects of inflation when calculating their capital gains.

The package as a whole, however, contains dangers that could have been avoided. The time for tax cuts comes after, not before, the mountain of debt has been reduced to a saner, safer level.

Mrs. MURRAY. Mr. President, this is a good day for regular people. Today, we are putting our differences aside, making smart compromises, and getting the peoples' work done. After 3 years of strife, partisanship, and government shutdowns, I am glad to see that this Congress is finally coming together for the good of the people.

As I listen to the debate on the historic balanced budget reconciliation bill, I can't help but remember the first budget that I helped draft as a new Member of the Budget Committee, the 1993 Omnibus Budget Reconciliation Act. It was a 5-year deficit reduction plan that reduced the deficit from nearly $300 billion in 1993 to about $60 billion for 1997.

The 1993 plan had deep spending reductions and ambitious goals for reducing the deficit. But it also contained important new investments in our economy, our work force, and our children. That plan passed without one vote from the other side, which I think is unfortunate. I stood on the floor of the Senate and listened to speech after speech from my colleagues on the other side claiming the plan would force the economy into recession and explode the deficit.

I am proud to stand here today and say that the exact opposite happened. Our economy is strong and growing at a steady rate, and the deficit has declined each year since. Balancing the budget is no longer an insurmountable goal. The 1993 plan brought us within reach. A lot of Members had the courage to make the tough calls back then. Some of them are no longer here in the Senate. But the state of the Nation today—the low deficit and the booming economy—has vindicated the 1993 plan.

The Balanced Budget Reconciliation Act before us today finishes the job. We will balance the budget by 2002; we have protected the solvency of the Medicare Program without draconian cuts; we have expanded our investment in education; and we have created a new children's health insurance program to cover an additional 5 million children who have no health security; and we have provided moderate tax relief. This is a balanced and fair plan.

The real winners today are our working families; senior citizens; and our children. Not only do they benefit from the largest investment in education since 1965; the largest investment in children's health since 1965; and the fiscal soundness of the Medicare Program, but we all win when we reduce the deficit and balance the budget. We are already seeing the fiscal and economic dividends from reducing the deficit, and this will only continue.

Let me say now I was deeply concerned when this legislation originally passed the Senate. So concerned, in fact, that I had to vote no on the Senate bill. The changes in the Medicare Program that were included would have seriously altered the program and threatened the health care security for millions of senior citizens.

Immediately following that vote, I began working to ensure that these changes were removed from the final conference agreement. I could not and would not support anything that would result in more individuals being uninsured. Increasing the Medicare eligibility age from 65 to 67 would have only added to the 47 million Americans with no health insurance. The means testing of the part B premium was not just an administrative nightmare, but a short-term solution that would have only forced higher premiums on all seniors regardless of income. The $5 copayment for home health care would have fallen disproportionately on low-income women. Well over two-thirds of women over 65 earn less than $13,000 a year. A $5 copayment for each home health care visit could have added hundreds of dollars a year to the cost of health care for millions of low-income senior citizens.

I could not have supported the final agreement if these provisions had remained. Because I was committed to a balanced budget, I knew I had to work hard to ensure that these provisions were dropped. I spoke with the White House, with the conferees, and with many of my colleagues and constituents about this, and I am pleased our hard work paid off. The final agreement slows the growth of Medicare without forcing more seniors into poverty and does not jeopardize the level of care that we have guaranteed to our senior citizens.

I know many families in Washington State who are struggling to pay for college or who are worried about the financial burden of a college education for their child. Included in today's agreement are real tax incentives to help families invest in their child's education and to provide relief to today's students who are struggling under a huge burden of debt. As I said earlier, families are the winners today. This agreement will help those families who are struggling to help their child and will keep a college education within reach.

In 1993, I worked with many of my colleagues in Congress and with the Clinton administration in an effort to enact comprehensive health care reform that would guarantee health care coverage for all Americans. Lack of affordable, quality health insurance coverage was and still is a major problem for many individuals. Unfortunately, our plan was too ambitious and the American people told us that they wanted smaller, targeted reforms. In 1996 we enacted the Health Insurance Portability and Accountability Act Kennedy/Kassebaum, which expands health care access for workers between jobs and provides protections for those with pre-existing conditions. This legislation was an important step in improving health care access for all Americans.

Today's agreement takes another big step by providing $24 billion to improve access to health insurance for the 10½ million children who lack any direct access to quality, comprehensive health care. This new health insurance program that will improve the quality of life for millions of children and families, is the real crown jewel of this agreement.

I have spent a great deal of time and energy pushing for expanded health care coverage for children. I have always considered this to be one of my top priorities and feel some relief today knowing that we have succeeded. In Washington State, we made a similar commitment to our children back in 1993, today's agreement will give us the opportunity to build on this commitment and reach out to more children.

While I feel a great sense of accomplishment today, there is one group of individuals who will not be celebrating. Despite the fact that my family violence option clarification amendment was adopted on three separate occasions, the budget conferees chose to once again try and sweep domestic violence under the rug. Victims of domestic violence were forgotten in this agreement. My amendment, adopted three times by the U.S. Senate, would have given States the ability to waive victims of domestic violence from the work requirements and time limitations called for in the new welfare reform law. It was not a secret way to allow women to stay on welfare, as many claim, but rather a way to protect victims of domestic violence and help them get out of poverty. There is no good reason—no excuse whatsoever—why this provision should have been taken out of the agreement. This is perhaps the greatest disappointment for me in this whole process.

I am committed to moving this amendment again and again until my colleagues understand how violence and abuse can be life threatening barriers to work. I will keep making my colleagues vote on this amendment until we have succeeded. Those who oppose this amendment need to understand that when they vote ''no'' they will be voting against victims of domestic violence and abuse.

Looking back over the past 4 years, I am amazed at the progress we have made on reducing the deficit and yet I know that it was not an easy task. I always believed we could balance the budget and still maintain important investment programs, but it does take a great deal of work and many, many tough decisions. As a member of the Senate Budget Committee I have had to make those decisions and choices. But, I always knew that it could be done. Today's agreement is my proof.

Mr. LEVIN. Mr. President, I will support the Balance Budget Act of 1997 which takes us the final step in a process begun in 1993. It reflects a considerable bipartisan accomplishment. While I don't agree with it in every specific, it gives a significant boost to education, provides for the largest investment in health care for children in 30 years, protects Medicare and Medicaid, and it reaches a balanced budget by the year 2002.

In 1992, the deficit in the federal budget was $290 billion which represented 4.7 percent of the gross domestic product. The most recent estimate of the deficit for fiscal year 1997 is $67 billion, approximately eight-tenths of 1 percent of the gross domestic product. Over the 5 years from 1993 to 1998, the deficit has been reduced by about $1 trillion from the deficit for those 5 years projected at the time. This remarkable progress has come about in large part as a result of the deficit reduction package which President Clinton presented in 1993, and which this Senate passed, without a single Republican vote, by a margin of one vote, the Vice President's.

The economy has responded to the steady reduction of the deficit. The economy grew for the first quarter of 1997 at a 5.9 percent rate, with an inflation rate of 2.7 percent. The unemployment rate is now 5 percent, the lowest in 24 years. This compares to an unemployment rate in 1992 of 7.5 percent. More than 12 million new jobs have been created since President Clinton took office. Now, this bill holds the promise of bringing us even closer to finishing the job.

I opposed this bill when it originally passed the Senate in part because it included a provision to increase the eligibility age for Medicare, and a second provision to require a $5 per visit copayment for home health care. I am pleased that both provision were deleted from the legislation by the conference committee.

I am also pleased that this bill restores benefits for legal immigrants who are currently receiving assistance or who become disabled and protects the minimum wage and other protections for welfare recipients moving from welfare to work.

Mr. President, this bill will secure the Medicare trust fund for at least the next decade, and provides for additional preventive benefits. It represents hard work and compromise and demonstrates that when the Congress moves in a bipartisan way, much can be accomplished.

Mr. KERRY. Mr. President, I come to the chamber today to support this balanced budget. We have worked for many years, making hard choices, fighting for our priorities, managing this country's budget process—all in order to be able to stand in the Chamber as members of both political parties in support of a balanced budget.

It is not the bill I would have written, but there is a large degree of foolhardiness in rejecting the good in favor of the perfect. A great debt is owed to the chairman and ranking member of the Finance Committee and their counterparts on the Budget Committee as well as their staffs who have worked with us over the course of these many months in crafting this plan.

And, there is no question in my mind, Mr. President, that this legislation is better than the deal the Senate passed last month—a plan I opposed because it did not do enough for hardworking American families and largely ignored America's children. This legislation before us now incorporates many of the provisions I and others on this side of the aisle fought to have included.

For that reason, this is a day of vindication for Americans who believe, as Democrats have proven, that it is vital to balance the Federal budget and extend health care to children, provide broader educational opportunities, ensure the future for our senior citizens and safeguard our environment.

Since 1993, we have moved in this direction. In 1993, when the first Democrat in a generation was elected President and Democrats formed the majority in both Houses of Congress, we have worked arduously to break the spiraling deficits which plagued our Nation for a decade and provide a solid economic foundation for our Nation as we move into the 21st century. And, Mr. President, we've succeeded. We have waited for the day when the benefits of our hard work would be as obvious as they are today.

Even the possibility of the legislation before us now—a conceptually balanced budget with tax breaks— is testament to the application of Democratic ideals to fiscal policy. In 5 years, we cut the deficit from $290 billion to the current level of perhaps less than $50 billion. Interest rates are subdued. We are seeing the lowest unemployment and inflation rates and the largest drop in poverty rates in a generation. Consumer confidence has shown the best improvement since the Eisenhower administration and the value of the stock market has doubled since 1993—the Dow break records every day—and the market itself is experiencing the fastest growth since the Second World War.

We have been successful, because, since the Great Depression, our party has stuck by the fundamental belief that sound economic and social policy go hand-in-glove, that our Nation is stronger when all Americans have equal economic opportunity.

Thomas Jefferson taught us that ours is a Nation of the common man and enshrined this belief in one of our most treasured documents when he wrote of the self-evident truth that all men are created equal.

Andrew Jackson echoed this creed when he restated the party's commitment to the humble members of our society—the farmers, mechanics and laborers. That commitment, that core set of beliefs, is in fact, Mr. President, the essence of the American dream and the foundation of what has become the greatest contribution this Nation has provided to the world's social economic history—the growth of a vibrant middle class. Universal economic opportunity, sound fiscal policy based on equitable distribution of benefits and assistance to those most in need—those are the fundaments of Democratic economic policy. That is the goal of the program we put in place in 1993, and that is the end to which our fiscal policies are directed. Franklin Roosevelt reminded us of our commitment to expanding opportunity when he said: ''the spirit of opportunity is the kind of spirit that has led us as a Nation—not as a small group but as a Nation—to meet very great problems.''

Mr. President, as Democrats, we believe that deficit reduction is a means to an end. We believe that tax breaks are a means to an end. But, unlike the Republicans, we do not subscribe to the callow notion that deficit reduction is an economic policy in and of itself or that tax breaks are an end which justify any means. We do not believe that cutting vital programs is a courageous or visionary act. We believe that courage lies in advancing economic opportunity: this requires wisdom, innovation and prescience. It is chilling that this dichotomy of political and economic philosophy remains as obviously demarcated today as it was 100 years ago. I re-read the cogent description by William Jennings Bryan of the two opposing ideas of government: he separated the parties into those who ''legislate to make the well-to-do prosperous and wait for their prosperity to leak through on those below, or those who legislate to make the masses prosperous and ensuring that their prosperity will find its way up through every class which rests upon them.''

Mr. President, as a U.S. Senator, I have an obligation to the constituents who elected me to represent their interests, to act on their behalf and to present their views to this body. At times here, there is often a temptation to acquiesce ones core set of beliefs to the majority. It is easier to be hidden by the crowd than to stand alone and dissent, simpler to obey the tenets of a deal than the core of ones belief, more politic to do what is possible than do what is right, and more efficient to save time by agreeing. But remember the words of Harry Truman, Mr. President, when he said that ''whenever you have an efficient government, you have a dictatorship.''

I am pleased that our provocation, our urging, our insistence in crafting this compromise that helps working class Americans was successful. I cannot turn away from the long history which has shaped my essence sense of fairness, my overarching insistence on making government work for the common good and the needs of my constituents. Mr. President, for that reason, I voted against the tax portion of the reconciliation bill as I voted against the spending portion when they passed the Senate the first time, and because these bills were dramatically improved, I am able to support the conference report today.

Mr. President, I am grateful for the work of the Senator from Delaware, Senator ROTH who chairs the Finance Committee and my friend from New York, Senator MOYNIHAN, who serves as that committee's ranking member. They have improved a gravely flawed piece of legislation passed by the House of Representatives and the Senate the first time.

During the course of the initial debate, I attempted to shape the legislation so it would do more for more average citizens, but time and again we were rebuffed. I said at the time, Mr. President, that before I could approve it when it returns from conference, this legislation needed significant improvement, especially as regards the treatment of children and hard-working American families.

In the original Senate package, nearly 43 percent of the breaks went to the wealthiest 10 percent of Americans—those who earn more than $120,000. In the original plan, Mr. President, 60 percent of hard-working poor and middle class Americans got only 12.7 percent of the tax breaks, while the richest 1 percent of Americans get 13 percent of the benefits. In the original Finance Committee proposal, the poorest 60 percent got as much as the richest 1 percent. This was a new standard of unfairness. This was anathema to the party of Jefferson and Jackson and Truman and Roosevelt. I tried to change it; I was unsuccessful and I rejected it.

I am pleased the conference report has a more equitable distribution by allowing more working class Americans to take advantage of the child-tax credit, for example. By most measures, Mr. President, this proposal has moved closer to our ideals and is unquestionably more equitable.

There is no more obvious improvement in this bill, Mr. President, from the original Finance Committee plan than the treatment of hard-working middle class families raising children. During the initial debate, I attempted to give more help to the American families on the lower end of the economic spectrum—young families with young children—who will be doing the most for our country in the future.

Mr. President, I attempted to correct this basic inequity by offering an amendment which would have improved the bill by granting a refundable child tax credit to all working families. Most Americans pay more in payroll taxes than income taxes. Income taxes have remained stable for most Americans in the past 10 years while payroll taxes have increased 17 percent.

My distinguished colleague from Louisiana, Senator LANDRIEU, attempted to amend the original plan so families who receive the earned income credit would not be penalized. She is a new member of this body, Mr. President, but she has already made an enormous contribution. She is a young mother and as such speaks with a clear voice on the difficulties of raising children today, and Mr. President, because this proposal incorporates her vision and my vision, it is a better deal for all Americans.

I am pleased also that this conference report allows Americans to offset the credit against these payroll taxes. Now, it applies to all Americans even those receiving the earned income credit. This is in distinct contrast with the original Finance Committee plan under which nearly 40 percent of America's children were excluded from the tax credit. Those 40 percent are the children of working class Americans, children of young teachers, police officers, farmers and nurses who work hard and are the backbone of this country.

Now, Mr. President, the Democrat proposal—more measured and fair—has prevailed. And, more Americans will be afforded a share of the great economic success this country has enjoyed since 1993. I could tell you that this bill provides a tax break for 5.9 million more American families with children than the Senate bill and 7.5 million more families than the House bill, but instead of relying dry statistical analyses and distributional tables, let me take a moment to show you some real people and compare how the different plans affect them.

The Richards family from Sioux Falls, SD, Charlie and Karen and their two children, will receive $975 from the child tax credit and both their children will be covered by health insurance. Under the House plan, the family would have received no child tax break; under the Senate plan, $418. This legislation, incorporating my amendment, will give them twice as much in the child tax break.

Under this plan, the Ussinger family from Albuquerque, NM will receive $1500 in child tax breaks. The House plan would have given them $6 and the original Finance Committee plan would have provided $458. This plan, incorporating my amendment, will give the Ussingers three times as much.

The Buckman family from Washington, DC, will now receive $594 in the child tax break. Under the House bill, the Buckmans would have gotten nothing and the Senate version would have given them only $143. So, this plan, incorporating my amendment, will give the Buckmans here in our Nation's capital four times as much in child tax breaks.

All of those children, Mr. President, every one of them, and 5 million more, will have health insurance thanks to our insistence and the leadership of Senator KENNEDY that we deliver the largest investment in the health of our children since the enactment of Medicaid, a generation ago.

This plan invests an unprecedented $24 billion for uninsured children, and since it is funded by a tax on cigarettes, it is, in fact, a double health benefit. This plan serves as a financial barrier—a powerful disincentive for children to start smoking in the first place. It supplements, not supplants, current health care coverage. Our plan requires that States maintain their current Medicaid eligibility levels of spending to access Federal dollars to ensure that this investment is not used to replace public or private money that already covers children.

Mr. President, simply put, this is the embodiment of the Democratic principles I mentioned earlier. This victory for America's children and middle-income families is a victory for America itself. We will all benefit from a healthier generation of children.

Mr. President, there are some elements of this package about which I am unsure. I would have preferred the approach to capital gains reduction for which Senator BUMPERS and I have fought for a decade—a measured, targeted approach instead of the broad-based cut this bill contains. I would have rejected the large back-loaded expensive IRA provision. But, at the end of the day, we must ask ourselves if this legislation meets the basic standards of fairness to which we attest; does it help average, hard-working American families? The answer is yes. Does it provide assistance for America's children and the young families struggling to raise them—those who have as yet not enjoyed the fruits of the economic boom? The answer is yes.

I am pleased to be able to join the majority of our colleagues, Mr. President, in supporting this plan.

Mr. KEMPTHORNE. I strongly support, and will be proud to vote for, the Balance Budget Act and the Taxpayer Relief Act. With these two bills, Congress has finally kept the promises made to Americans to balance the budget and to cut their taxes.

When I talk to folks back home in Idaho, they always ask the same question: When is Congress going to get its act together and balance the budget and reduce our taxes?

These folks aren't asking for much. They just want the Federal Government to stop spending so much of their hard earned money and leave more at home so they can pay their bills and raise their families.

Now, when these two bills become law, I can go home I can look them in the eye and say. ''We heard you and we took action.''

I am proud to be a member of the Congress that had the discipline and the courage to balance the budget and cut taxes. This is a historic time in Congress. We have stopped the out of control spending frenzy in Washington, DC and have reestablished fiscal responsibility to the Federal Government.

We balance the budget by 2002, the first time in nearly 30 years. I was in high school when the budget was last balanced. My daughter just graduated from high school. An entire generation of budget deficit. We must stop accumulating debt for our children and their children to pay. With a national debt of more than $5 trillion its time we balanced the budget.

We also provide the first tax cut in 16 years—$96 billion over the next 5 years. We didn't balance the budget by raising their taxes. We let folks keep more of what they earn.

Three-quarters of the tax cuts from this bill go to those making less than $75,000 a year. Taxes for a family with two kids making $30,000 a year will see their taxes cut 50 percent. In a State like Idaho, where the median household income is about $20,000, this is significant relief to those who deserve and need it most.

This tax cut empowers American families with choices which allow them to better plan their future and the future of their children. This tax cut bill provides a permanent $500 per child tax credit for families with children under the age of 17. Families can spend and invest this money in ways they think best, and families will do that better than government ever will.

We also encourage the education of future generations. This bill creates HOPE scholarship tax credits for families already paying for higher education. We create tax free education investment accounts so families can save for future education expenses. Families can also make penalty-free withdrawals from existing IRA's for educational purposes. We've brought the dream of affording college to more American families.

We also reward the financial success of current generations, not penalize it, by reducing capital gains taxes from 28 percent to 20 percent. We increase the death tax exemption from the current $600,000 to $1,000,000 over the next 10 years. We allow families not to pay tax on money they receive from the sale of their homes. We raise the death tax exemption on small businesses and farms up to $1.3 million effective January 1, 1998. No longer will we tax out of existence businesses that have been in families for generations by forcing the heirs to sell the business just to pay the estate taxes.

Last week an Idaho couple, Chuck and Sarah Johnson, came in to see me about the death tax and the threat it poses to their families' future. The Johnsons, who own and operate a dairy farm in Meridian, ID, told me that unless Congress changes the current confiscatory estate tax laws on small businesses they will not be able to pass on their lives' work to their sons.

The Johnsons' assets, like most family businesses, are in the land and equipment used to run the operation. They don't have nonproductive cash laying around to pay taxes. Small business is the economic life blood of Idaho and the nation, and this legislation recognizes and rewards families like the Johnsons for their hard work.

I am proud to vote in favor of the Balanced Budget Act and the Taxpayer Relief Act. In 1992, when I submitted my name for election to the U.S. Senate, I promised to expand tax credits for parents with children, to cut capital gains taxes, to reduce death taxes, to expand individual retirement accounts to pay for education expenses. With passage of these bills the Congress has accomplished these important goals.

Promises made, promises kept; taxes cut and the budget balanced.

COLORECTAL CANCER SCREENING BENEFITS

Mr. D'AMATO. Mr. President, I would like to commend the conferees for the provisions of this legislation that establish new preventive care benefits within the Medicare Program. There has been some criticism of these provisions by those who do not see the wisdom of adding new Medicare benefits at a time when we are cutting over $110 billion from the program. However, at a time when we are forced to reduce program spending, our goal should be to make the overall program as cost-effective as possible. These new preventive benefits, particularly colorectal cancer screening, are both medically wise and economically smart. I am proud to have the opportunity to be in the Senate at a time when we enact these new benefits into law.

I am pleased that the conference report provides that the determination by the Secretary of Health and Human Services [HHS] regarding the coverage of the barium examination as a colorectal cancer screening provision will be made by January 1, 1998 or within 90 days of enactment, whichever is earlier. Given the recent recommendations of the American Cancer Society and reports by the Agency for Health Care Policy and Research and other groups, I see no reason that HHS cannot meet this deadline. Medicare coverage of colorectal cancer screening takes effect on January 1, 1998. This deadline assures that the determination on Medicare coverage of the barium examination and other screening procedures will be made as the program goes into effect.

I also note that the conference report incorporates language from the Senate provision directing the Secretary of HHS to consult with appropriate organizations in making the determination with regard to coverage of the barium examination and other new screening technology. The American Cancer Society is one of the organizations that HHS should consult with because that group, more than any other, represents the interests of cancer patients and their families. The new ACS guidelines, which I understand are based upon the results of a 2-year study by a panel of 16 experts on colorectal cancer, should be of great assistance to HHS in establishing the best possible colorectal cancer screening program for Medicare recipients.

Mr. President, this budget agreement represents a major accomplishment for our Government, our economy, and our Nation as a whole. It also represents a major step forward for elderly Americans across this country. These new preventive benefits will help our senior citizens and save thousands of lives. I am glad to have had the opportunity to work on this legislation. Thank you, Mr. President.

Mr. HOLLINGS. Mr. President, I submit the following views in dissent to the provisions contained in title III, Communications and Spectrum Allocation Provisions of the Budget Reconciliation Act of 1997. As a subconferee on title III, I stand in opposition to the provisions adopted by the subconference, and ultimately, the Congress. These provisions are a classic example of the charade that is being perpetuated on the American public under the guise of balancing the budget. The administration and the congressional leadership have devised a plan that turns sound communications policy on its head.

The final product actually represents the first time the Administration and Budget Committees admit that their original assessments on spectrum auctions were unrealistic. Their admission is reflected in the fact that, also for the first time, universal service funds will be used to make up the shortfall in the auctions in order to balance the budget. Unfortunately, the price that we will pay for their recognizing the error of their ways, will result in higher phone rates for rural America.

Title III contains dramatic changes to long-standing communications policy. There were many policy changes made that I do not support and deserve greater discussion. But for purposes of this statement, I will only discuss the following three issues:

First, for the first time, the U.S. budget will be balanced by raiding the universal service fund. This is one of the most blatant budget gimmicks to plug a shortfall as I have ever seen. The bill language as provided to the Budget Committee actually had a blank line for the dollar amount to be filled in at some later point. In the end, the universal service plug was $3 billion. It is not quite clear how the language will actually work—if it works at all. It clearly imposes a financial burden on the telephone companies in an effort to float an interest free loan to the Government. In essence, we are asking small telephone companies to make do without the financial support they rely on every month and may force these companies to raise rates.

Second, the deal struck by the administration and the congressional leadership requires the Federal Communications Commission [FCC] to auction broadcast licenses. This is a fundamental change to our long-held policy that broadcasters are licensed to serve the public interest. The Congress and the FCC impose special public interest obligations on broadcasters and that is why broadcasters were exempted from auctions under the original auction authority. But now we need money to pay the bills and so the conference has selectively targeted a group of pending broadcast licenses to be assigned by competitive bidding, not by comparative hearings. These applicants had no notice and no opportunity to challenge this change in policy. All of the pending applicants sought these licenses with the expectancy of comparative hearings. Now we have budget folks coming in here and telling us that budget policy is more important than communications policy.

Along these same lines, the deal eliminates the FCC's ability to use lotteries as an assignment process, except in the case of assigning public broadcast licenses. Here, we preserved the FCC's authority to use comparative hearings to assign these licenses. I urge the FCC to develop appropriate criteria to assign these licenses. The local communities deserve the right to have qualified public broadcast licensees. Public broadcasting is too important to leave to random chance.

Third, the last point I want to make relates to the change made to the local ownership rules under the guise of increasing the pool of bidders for the analog auction. The deal waives the FCC's rules on duopoly and newspaper-broadcast cross-ownership for the purpose of allowing these parties to bid on the analog return spectrum in 2001. Subsection 3003(D) of the reconciliation conference report violates Section 313(b)(1)(D) of the Budget Act, also known as the ''Byrd Rule.''

These provisions are in violation of the Byrd Rule because: First, the inclusion of these provisions has no revenue impact as indicated by CBO letter dated July 14, 1997; Second these provisions fail to qualify as a necessary term and condition for the purposes of conducting the auction; third these provisions selectively benefit one competitor over another by maintaining other ownership limitations; and fourth these provisions represent substantive policy changes to the Communications Act of 1934, as amended, and can be achieved by the free-standing pieces of legislation already introduced in the House and Senate.

Here, subsection 3003(D) is applicable only in cities with populations greater than 400,000 as measured by the 1990 decennial census. For purposes of determining cities with populations in excess of 400,000, the FCC should refer to the April 1, 1990 Decennial Census, as referenced in PPL–27 Table 3, Resident Population for Cities with Population Greater than 100,000 Sorted by Population Rank. The FCC should take note that this is the first time the Congress has directed the FCC to issue a blanket waiver of these two rules and established a statutory threshold that relief is only permissible in these specified markets; and furthermore, the relief is only justified when there is an increase in the number of broadcast outlets in the large markets.

The legislative history supports this position. The House provision established a blanket waiver of these provisions for all markets. The final provision provides for relief only in cities with populations greater than 400,000. In contrast to the general review of the duopoly rule required under the Telecommunications Act of 1996, the Congress here has spoken clearly that media concentration is not warranted at this time, particularly in cities with populations less than 400,000, and should only be allowed when there is a possible increase in the number of broadcast outlets. Here that increase in the number of broadcast outlets is anticipated at the end of the digital TV transition when the FCC will auction off the returned analog spectrum.

It is important to note that repeal of these two rules represents a drastic change in policy. For years, the policy has been to preserve diversity and sources of information. In particular, a merger between a daily newspaper and a broadcast station will reduce the independent sources of news in the community. The budget deal's elimination of the newspaper-broadcast cross-ownership rule exacerbates the growing recent problem of media concentration because even in large metropolitan areas there is often only one major daily newspaper. In such a community, that newspaper may be the only major source of non-broadcast local news and information. With a city's only newspaper aligned with major broadcast stations, a great deal of power and influence is held by a few individuals at the expense of the needs of the community.

For example, the October 23, 1995, edition of Electronic Media reports examples of newspaper/broadcast cross ownership situations where critical information for the community was stifled because of the lack of independence by the news outlets. For example, during a particularly contentious strike at the major newspaper in Detroit, the cross-owned tv and radio stations were forbidden to air stories about the strike. In addition, a broadcast story about cheating by automotive repair shops was canceled because of potential loss of advertising revenues at the cross-owned newspaper. A company that owns a broadcast station and a newspaper would likely combine its news departments in order to achieve economies of scale. The problem though is not an economic one, but one of information and diversity of views. Such combinations reduce the diversity of sources of local news and public affairs in that community.

I ask unanimous consent that the letters to which I referred be printed in the RECORD.

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

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 14, 1997.

Hon. ERNEST F. HOLLINGS,
Ranking Democrat, Committee on Commerce, Science, and Transportation, U.S. Senate, Washington, DC.

DEAR SENATOR: As you requested, I am pleased to provide you with additional information regarding CBO's estimates of the receipts from auctioning licenses to use the spectrum that is currently allocated for broadcasting analog television signals. As you indicated in your letter, CBO estimated that the analog spectrum provisions in the House-passed version of the reconciliation bill would increase receipts by $500 million more than those in the Senate-passed version of the bill.

The difference between these two estimates is attributable to language included in the Senate-passed version of the bill that would direct the Federal Communications Commission (FCC) to extend analog broadcast licenses beyond 2006 under certain conditions. Both versions would provide for the extension of analog broadcast licenses under certain circumstances but under the Senate version such an extension would be more likely. CBO believes that the possibility of any extension of the existing licenses would make the returned analog spectrum less desirable to potential bidders because they would be uncertain as to when they would be able to use the spectrum. As a result, we have discounted our estimates of auction receipts to reflect the probability of such an extension.

The provisions in the House version of the bill waiving the duopoly and cross-ownership rules for newspapers and broadcast stations did not contribute to the difference between the cost estimates of the two versions of the bill.

If you wish further details, we will be pleased to provide them. The CBO staff contacts are Rachel Forward, David Moore, and Perry Beider.

Sincerely,

JUNE E. O'NEILL,
Director.

U.S. SENATE, COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
Washington, DC, July 9, 1997.

Hon. JUNE O'NEILL,
Director, Congressional Budget Office, Ford House Office Building, Washington, DC.

DEAR DIRECTOR O'NEILL: In its June 27, 1997 cost estimate of H.R. 2015, the Congressional Budget Office (CBO) scored the revenues generated from the auction of returned analog spectrum at $3.2 billion. (*See* CBO June 27, 1997 Cost Estimate at Table 5.) However, in its July 2, 1997 cost estimate of S. 947, CBO scored the revenues generated from the auction of returned analog spectrum at $2.7 billion. (*See* CBO July 2, 1997 Cost Estimate at Table 4.)

My understanding is that the $500 million difference in the CBO scores results from the discretion granted to the Federal Communications Commission (FCC) to extend a license beyond 2006. Is my understanding correct? Therefore, based on that assumption, is it not the case that the House provisions waiving the duopoly and newspaper-broadcast cross-ownership rules do not have a revenue impact on the House score given by CBO?

Due to the fact that the Reconciliation Conference will begin tomorrow, I would appreciate a response by noon tomorrow. Thank you in advance for your assistance with this matter.

With kindest regards, I am

Sincerely,

ERNEST F. HOLLINGS,
Ranking Democrat.

Mr. KYL. Mr. President, when the budget agreement was announced in May, I expressed a great deal of skepticism about whether it would provide adequate tax relief to hard-working American families, whether Medicare's solvency would be assured, and whether the savings necessary to achieve a balanced federal budget would really be obtained.

After reviewing the two bills that are before the Senate today—bills intended to implement the budget agreement—I must still conclude that they are, by themselves, inadequate. Too little tax relief is provided to Americans—with or without children—who go to work every day, play by the rules, and struggle to make ends meet. Too little is invested in creating jobs and making our country more competitive.

The legislation does extend Medicare solvency, but only for a decade. It is disappointing, to say the least, that President Clinton failed to step up to the plate and fight for the significant reforms that an overwhelming, bipartisan majority of the Senate supported to put Medicare on a more stable footing for our children and grandchildren in the decades to come.

Nevertheless, Mr. President, the bills represent steps in the right direction. They provide at least some tax relief to millions of families who are trying to do right by their children, to young Americans who are striving to get a higher education and make our communities better and more productive places for us to live, and for seniors who need relief from capital gains or estate taxes to make ends meet in their retirement years.

They will extend Medicare solvency, while expanding the health-care choices available to seniors. There are tough, new antifraud provisions designed to weed out and punish those who would steal Medicare dollars from older Americans. Hundreds of thousands of Americans will be able to save money tax-free to pay for health care in new medical savings accounts, and seniors will no longer be denied the right to purchase health services from a doctor of their choosing.

In addition to Medicare reform, the bill reforms Medicaid, and achieves savings in the Student Loan Program, Federal retirement, and housing. It raises money from the auctioning of broadcast spectrum. In all, the legislation achieves about $130 billion in savings over a 5-year period.

Should we have done more? Yes. While many people will benefit from the tax-relief bill, many others will be left out. But with President Clinton opposed to a broader tax-relief package, and without the votes to pass a bill over his objection, it is clear that a more far-reaching measure has no chance of passage in the near term. So we are faced with the choice of either providing at least a limited amount of tax relief this year, or denying relief to everyone.

For me, that is an easy choice. We ought to do what we can now and keep fighting for more. This is by no means the end of the fight. Just as the tax relief provided to small businesses last year was not the end of the road, this is not the end, either. It is one more step in the direction of providing the tax relief that the American people so badly need and deserve.

The amendment I offered to the budget agreement back in May makes clear that the door is open for additional tax relief next year, and I intend to be back fighting for more. And in any event, interim tax relief, which really adds a great deal of complexity to the Tax Code, is no substitute for permanent structural reforms that will move us toward a fairer, flatter tax that will provide relief for everyone.

Mr. President, the cornerstone of the tax bill before the Senate today is the $500-per-child tax credit that Senators GRAMS, COATS, HUTCHINSON, NICKLES, and I introduced on the day Congress reconvened this year. It is an idea that many of us have pursued for a number of years, and it has been a top goal of the Republican Congress since 1994. With the idea finally on the verge of becoming law, others are now claiming credit. As President Kennedy put it, "victory has a thousand fathers." So be it.

Mr. President, just think what $500 per child will mean to a married couple with two children and an income of $35,000 a year. That family will see a 40 percent reduction in its tax bill. Think what that will mean in terms of helping to pay for child care, health or dental care, clothes, or a trip to summer camp. Obviously, $500 is no panacea—anyone who has raised a child knows how expensive a proposition that can be—but it will help.

Think what a single mom in the inner city could do with an extra $500 per child. It might help provide after-school care to keep a son or daughter off the streets, safe, and out of trouble. Maybe it would help her send her child to a better, safer school, or just put food on the table.

We are talking here about letting hard-working, tax-paying families keep more of what they earn to do what they know is best for themselves and their children. We put our faith and trust in families.

We also create new opportunities in this bill for people to save for their retirement in enhanced individual retirement accounts. Nonworking spouses will be able to save a full $2,000 annually in an IRA regardless of the working spouses' access to a pension plan. Penalty-free early withdrawals would be allowed for first-time home purchases to make the dream of home ownership a reality for more Americans. For those trying to sell their homes, we provide a meaningful capital-gains exclusion.

This legislation provides significant new incentives to help people save for a college education. And what better way to ensure that the next generation is prepared to lead us to a brighter future than to ensure greater access to higher learning: new opportunities to save tax-free in education savings accounts, an extension of the tax exclusion for employer-provided educational assistance, and a $2,500-per-year student-loan interest deduction.

Mr. President, the family and education credits are probably the most popular parts of this tax-relief package, but there are other important provisions included as well.

I know that not as many people are concerned about capital-gains and estate-tax relief compared to the education tax credits in particular, but I would suggest that unless good paying jobs are available for young people when they graduate, education tax credits will amount to little more than empty promises. We need to do more, and that is why the capital-gains and estate-tax provisions are in this bill.

Three decades ago, the Nation's bipartisan leadership joined together in calling for a deep reduction in the capital-gains tax rate. In fact, it was President John F. Kennedy who recommended a plan that would have taxed only 30 percent of long-term gains. In other words, President Kennedy would have excluded 70 percent of gains—a far greater reduction than is contained here.

There was a reason that he called for a significant cut in the capital-gains tax. "The present tax treatment of capital gains and losses is both inequitable and a barrier to economic growth," the President said. "The tax on capital gains directly affects investment decisions, the mobility and flow of risk capital from static to more dynamic situations, the ease or difficulty experienced by new ventures in obtaining capital, and thereby the strength and potential for growth of the economy."

In other words, if we are concerned about whether new jobs are being created, whether new technology is developed, whether workers have the tools they need to do a more efficient job, we should support measures that reduce the cost of capital to facilitate the achievement of all of these things. Remember, for every employee, there was an employer who took risks, made investments, and created jobs. But that employer needed capital to start.

President Kennedy recognized that. He recognized that our country is stronger and more prosperous when our people are united in support of a common goal—and alternatively, that we are weaker and more vulnerable when Americans are divided among lines of race, gender, and income.

While some politicians may employ divisive class warfare to their political advantage today, President Kennedy simply put good policy ahead of good politics. And I am with him.

The capital-gains reductions in this bill will help keep the economy on track, producing new jobs and new opportunities for all Americans to get ahead. It will free up resources locked up in old technology and old investments, and make them available to update equipment and factories, and put Americans in a more competitive position in the global marketplace.

The estate-tax reductions, too, will help create new jobs. According to the Heritage Foundation, outright repeal would create as many as 150,000 new jobs a year. But this bill does not repeal the death tax. It effectively adjusts the tax for inflation over a 9-year period, and that is all it does. While it provides an additional exemption for family owned businesses and farms, the rules are so complex that I predict few, if any, will actually benefit from them.

There is something unseemly, though, about a tax that forces grieving families to visit the funeral home and the tax collector at the same time. There is something wrong with a tax that takes more than half of whatever someone has managed to acquire over his or her lifetime with after-tax dollars. The death tax ought to be repealed outright, and I intend to continue to fight for that objective.

Mr. President, what a difference a Republican majority in Congress has made. In 1993, President Clinton and the Democrat-controlled Congress passed the largest tax increase in history, increased spending and left a budget in deficit for as far as the eye could see.

This week, Congress will send to the President a budget that aims for balance, limits government spending, extends the solvency of Medicare, and provides badly needed tax relief to millions of Americans. It is safe to say that none of these things could have been achieved without a Republican majority.

These bills will not accomplish everything we set out to do, but with President Clinton in office, it is unlikely that we can do much more right now.

I intend to support these bills as steps in the right direction, but I intend to keep pushing next year for the kinds of entitlement reforms that will protect the next generation, and expand on the tax relief that today's generation needs and deserves.

Mr. DODD. Mr. President, I rise today to express my views on this historic moment as we offer the American people a balanced budget for the first time in almost 30 years. Mr. President, this agreement is truly a remarkable accomplishment for both President Clinton and Members of Congress, and it is a well-deserved victory for the American people. This means less debt for our children's generation, lower interest rates for families seeking to buy a car or a home, and a more vibrant economy for businesses to expand and create jobs.

This moment must not be viewed in isolation because, in many respects, the victory we claim today stands on the shoulders of the progress we have made to reduce the deficit over the past few years.

Let's give credit where credit is due. In 1990, President Bush put this country above his party and above his own political ambitions by endorsing a plan that lowered the deficit by $500 billion. It was wildly unpopular in his own party because it raised taxes on affluent Americans. But it was the right thing to do. President Bush's efforts on behalf of his country should be remembered and commended.

When President Clinton came into office, he, too, stepped up to the challenge of combating the deficit. He proposed a far-reaching economic plan in 1993—more appropriately called the balanced budget plan of 1993—and it was enacted into law without a single Republican vote.

President Clinton's balanced budget plan, which I supported, has reduced the deficit by more than 75 percent from $290 billion in 1992 to an estimated $67 billion this year. That $67 billion represents less than 1 percent of gross domestic product in 1997, the best we've seen since Harry Truman's presidency. We have now seen four consecutive years of deficit reduction, something that has not occurred since before the Civil War.

And our economy is only getting stronger as a result of what we did in 1993. The unemployment rate is at 5 percent, representing the lowest level in 24 years. There have been 12.5 million new jobs created in these past 4½ years of the Clinton administration. That's more than any prior administration. Home ownership has increased from 63.7 to 65.4 percent—the highest percentage on record. Median family income is up $1,600 since 1993, representing the fastest growth since the Johnson administration. And the stock market continues to break records, growing from 3,200 to 8,000, the fastest growth rate since World War II. The list goes on and on.

Clearly, Mr. President, we no longer hear the voices that predicted that President Clinton's plan in 1993 would not balance the budget, but instead would cause a recession, raise interest rates, and put American families out of work. Those voices of opposition have been drowned out by our overwhelming record of successes.

And without this tremendous record of progress, we could never have what we have today—the first time in a generation that our government will not run a deficit.

The underlying bill represents the first tax cut in 16 years. It provides much-needed tax relief for working American families. The 1981 and 1986 tax cuts, which I voted against and which set the Reagan economic program in motion, blew a hole in the deficit and left us with an astronomical national debt. By contrast, this bill promotes fiscal responsibility, sustains balance, and is the most progressive economic package since the Lyndon Johnson package in the 1960's.

Mr. President, I am particularly pleased with the child tax credit included in this budget agreement. Because of the efforts of President Clinton and a number of my colleagues in Congress, the child tax credit will be expanded to cover 7.5 million more children from lower income working families than would have been covered under the congressional leadership's original plan. In my State alone, upwards of 692,000 families will be eligible for this credit—almost 80 percent of families in my State.

We succeeded in making this credit largely refundable against income and payroll taxes, benefiting 27 million families with 45 million children. Clearly, Mr. President, this is great news for the millions of families in America who, although they work very hard, still struggle just to make ends meet.

Mr. President, this bill clearly reflects our commitment to expanding educational opportunity, as it is the largest investment in higher education since the GI bill in 1945.

There are few issues more critical to American families than education. I think we can all agree that unless we tap and nurture the talents and energies of all our people, we won't be able to meet the challenges of the 21st century. This budget agreement recognizes this by providing American families with more than $35 billion in tax relief for education.

The bill before us today provides increased funding for Head Start, provides the largest Pell grant increase in two decades, includes community service loan forgiveness, and allows students to deduct the interest on their college loans. Further, this bill includes a $1,500 HOPE scholarship credit for the first 2 years of college, and provides a credit for the second 2 years of college and for life-long learning, as well. For Connecticut, this package means that as many as 149,000 students will benefit—85,000 more Connecticut students than under the Republican proposal.

This bill also provides targeted tax relief to middle class investors, small businesses and family farms.

It reduces the capital gains tax rate in a way that encourages longer term investments and in a way that provides relief to a growing percentage of middle-class Americans reporting capital gains income on their tax return. And we provide measured relief without indexing these gains for inflation, a provision originally contained in the congressional leadership's proposal, which surely would have threatened to throw our budget out of balance.

Further, if you've worked to own a home, and that home has increased in value, we exempt up to half a million dollars of that increase from capital gains taxes. This provision allows homeowners to reap the rewards of home ownership, and encourage more people to buy homes. This part of the tax package is particularly meaningful to homeowners in my State of Connecticut who were hurt disproportionately during the recession of 1991.

And, if you're a farmer of a small business owner, we exempt the first $1.3 million of the value of your estate from taxation, so you can pass on the fruits of your labor to your children.

Clearly, Mr. President, the bill before us today, makes a difference to small investors, small businesses, and hard-working Americans. It is reasonable and responsible, and recognizes the value of providing measured relief to American families, small businesses, and family farms. But fundamentally, this bill isn't about statistics. It's about meeting vital family needs and providing additional resources to meet the many challenges our working families face. This bill strengthens families and puts working families first.

And yet, the underlying bill is not a perfect bill. In the midst of providing tax relief that is fair and equitable, I believe it is imperative that we not lose sight of our obligation to enact legislation that is fiscally responsible. We should be enacting legislation that will allow us to maintain the fiscal discipline we have worked so hard to achieve in recent years, dating back to the wise decisions we made in 1993.

That is way I offered an amendment during the budget reconciliation negotiations which demanded we adhere to our budget agreement in which we agreed to a net tax cut of $85 billion through 2002, and not more than $250 billion through 2007. And that is why, today, I have serious concerns about Joint Committee on Taxation reports estimating that these tax cuts will cost $95 billion through 2002 and upwards of $275 billion by 2007.

Nevertheless, this bill takes several steps to ensure that the cost of the tax cuts will not spiral in later years. Most significantly, it drops the proposal to index capital gains. In addition, it puts income limits on individual retirement accounts.

Mr. President, we must be committed to preserving the integrity of the balanced budget agreement. The American people will not be served by a budget that reaches balance briefly in 2002 and then veers back out of balance afterward.

Mr. President, on the whole, this agreement is more fair and more disciplined than any in recent history. The bill before us today does more for working families, more for small businesses, and more for family farms. We have stimulated jobs and growth, and encouraged investment, and most importantly, we have put America's families and their children first. I am proud of these accomplishments, Mr. President, and, let us not forget that we did it all while balancing the budget, benefiting Americans today and in the future.

Mr. DOMENICI. Mr. President, I would like to discuss an issue that relates to Medicare's diabetes self-management benefit.

As my colleagues know, the reforms we have under consideration include a provision which would extend Medicare coverage of blood glucose monitors and testing strips to type II diabetics. This seems to make abundant good sense.

The provision would also reduce the national payment limit for testing strips used by diabetics by 10 percent beginning in 1998.

I have some concern about these policies especially since the incidence of diabetes is growing and people are being afflicted at earlier ages. For example, it is an epidemic among Indians.

It could also impact diabetic patients. This 10 percent reduction in payment for diabetes test strips could prove harmful to many durable medical equipment [DME] suppliers.

I call to my colleagues attention, a study that is currently being conducted for the Health Care Financing Administration by AFYA to consider the reasonableness of Medicare payments for approximately 100 specific DME items, including diabetic test strips.

Once that study is completed, Congress may want to revisit this issue.

By itself, the 10 percent reduction may cause some DME suppliers, particularly the smaller operations, to sustain financial losses such that they no longer supply test strips. Also, some suppliers may stop taking assignment of diabetic test strips because they cannot afford to furnish Medicare products under the reduced pricing scheme. This could, in turn, lead to a situation whereby the Medicare diabetic patient will pay the difference and may have to pay the full amount up front and wait for Medicare to reimburse the reduced share.

Finally, another issue which I think is worth mentioning relates to home oxygen. I have received many calls and letters from constituents who oppose a reduction in the monthly payment amount for home oxygen. This bill reduces reimbursements for home oxygen by 25 percent in 1998 and then an additional 5 percent in 1999.

I would hope that my colleagues would take these matters under consideration, and that they join me at some future point in giving these matters further consideration.

Mr. JEFFORDS. Mr. President, the impending passage of this balanced budget agreement is a historic moment for our nation. This legislation represents a real victory for all Americans. Children, students, families and senior citizens will all benefit from our actions today. This budget not only puts us on a financially responsible path but also protects the Federal social safety net.

This legislation is built on consensus, and no plan built on compromise can make everyone happy. There are certain provisions that I wish were in this bill and there are other provisions that I feel could have been changed. Overall, though this budget package provides benefits that will strengthen our economy, reduce the tax burden on individuals and families, and eliminate spiraling deficits.

The measure provides tax relief to families and children, with a permanent $500 per child tax credit under the age of 17. The bill creates incentives for savings and investment with expanded individual retirement accounts, reducing capital gains and increased deductions for small business. But most importantly, this legislation furthers our efforts to provide health care and education for all children.

This conference report will establish a new $24 billion health care coverage program for as many as 5 million uninsured children. I would like to express my special appreciation to Senator ROTH and Senator LOTT for including in the children's health initiative a provision that will allow States, like Vermont, whose Medicaid coverage for children already extends beyond 200 percent of poverty, to cover children with incomes 50 percentage points higher than their Medicaid cutoff. I feel this section will give these pioneering States the necessary flexibility and resources to continue moving forward toward the goal of ensuring that all children have access to quality health care.

With $35 billion in education tax incentives, the bill will ease the burden on students and families paying for higher education. These tax incentives will help families save for college, pay tuition costs while students are in college, and repay funds borrowed to pay for college. The bill's education tax incentives are not limited to college expenses. The bill has a life-long education tax credit to help workers who want to brush-up on their job skills or learn new employment skills.

In addition, the children's tax credit in this bill will result in meaningful savings for families. For a family with two children, this bill will result in a 1999 tax bill that's $1,000 less than they would have otherwise owed.

This agreement also recognizes the critical relationship between education and our national economic well-being. In a day and age beset by downsizing, when job skills are constantly becoming outmoded by technological advances and break-throughs in learning, education will be a lifetime endeavor. I am happy that the bill recognizes this, and makes lifetime learning more easily affordable. Aid to education is not limited to tax incentives; the tax incentives are supplemented by meaningful spending increases for scholarship grants and literacy programs. Throughout my years in the Congress, first on the Education and Labor Committee in the House, and now as chairman of the Senate Labor and Human Resources Committee, I have worked to make education more readily affordable and more easily accessible. This bill represents an important step in that direction.

During my tenure in Congress I have tried hard to put our fiscal house in order while protecting programs that are important to the nation. I am pleased to cast my vote in favor of this agreement, which I believe does just that. Today, this body is taking a giant step closer to insure the future economic security of our children and the next generation.

Mr. SPECTER. Mr. President, I have sought recognition to comment on the historic legislation we are considering today, which will have profound effects throughout our Nation as we near the first balanced Federal budget since 1969. As a longtime supporter of the balanced budget constitutional amendment and the line-item veto, I am particularly pleased to have this opportunity to reflect on the significance of this occasion.

I think the 5-year glide path to a balanced budget is very important for America. I think the two big priorities for America today are education and health care. I like what is being done here and in the tax reconciliation bill we will be considering, but I remain a little worried about our seniors. We might have to make some modifications for their benefit in the future after we see how some of these changes are implemented. I will be keeping a close eye on this issue as I travel in Pennsylvania's 67 counties, where we have more than 2 million senior citizens.

From the beginning, I have said that a balanced budget could only become reality with support from the center. There is now a feeling around Congress that the American people are sick of all the bickering and they have asked us for action on the issues that mean the most to them, chief among them balancing our Nation's budget. Since 1995, I have worked with the Chafee-Breaux centrist coalition to try to reconcile the differences between the two parties on the major entitlement and tax issues which we needed to address if we were going to achieve a balanced budget. I was proud of my association with this group of 22 Senators, which got 46 votes for its substitute budget resolution in 1996 and showed that there was bipartisan support for a centrist-oriented plan.

The Balanced Budget Act of 1997 represents what I have been saying for several years, that the budget can be balanced without leaving a bad taste in the minds of the public toward Republicans. It can be done without appearing insensitive toward the poor, elderly, children, and without appearing unconcerned with education, health care, and the environment. The budget agreement reflected in this legislation represents the traditional Republican objective of balancing spending and revenues and reflects my approach of moderation within fiscal conservatism, or what has been termed compassionate conservatism.

I would not further that this legislation reflects my preference for cutting with a scalpel, not a meat ax. As chairman and ranking member of the Labor, Health and Human Services and Education Appropriations Subcommittee, in the past 2 years Senator HARKIN and I have succeeded in terminating 126 programs totaling $1.4 billion using this scalpel approach. The patience that has been demonstrated by our Budget Committee chairman, Senator PETE DOMENICI and the other key budget negotiators reflects their action to achieve the level of savings needed to bring the budget into balance.

Throughout the budget process, I have sought to work with my colleagues to protect programs and funding which was particularly important to groups of Americans least able to fend for themselves. In particular, I am pleased to note that the Conference Report includes the $1.5 billion in Medicare premium subsidies which are essential for the estimated 3.2 million American seniors who earn in the area of $9,000 to $12,000 annually. I initiated an effort with several of my Republican colleagues to restore these funds when they were initially left out of this bill as reported out of the Finance Committee. After five of us wrote Majority Leader TRENT LOTT to urge that the funds be restored to the bill, the leadership accepted our request and added the $1.5 billion. Once the funds were restored, however, I still had some concerns about the allocation of these funds and whether the subsidies would continue as long as the premium increases. During Senate floor consideration of the bill, I was pleased to offer an amendment cosponsored by Senator ROCKEFELLER, SANTORUM, SNOWE, COLLINS, and CAMPBELL to make the premium subsidies permanent as is the premium increase. Although a majority of Senators voted with us, the amendment only received 52 of the 60 votes needed to meet certain Budget Act procedural requirements and thus failed to be accepted.

Among the reforms I supported in the Medicare Program is the expanded array of choices from which beneficiaries can obtain coverage. These new Medicare Plus plans will include traditional fee-for-service, provider sponsored organizations, medical savings accounts, private plan/health maintenance organizations, and preferred provider organizations. Beneficiaries will be given the freedom to choose the option which best meets their health care needs. I have also supported the addition of $4 billion in preventive health services to the Medicare benefit package, such as coverage of annual screening for breast, prostate, and colorectal cancer, bone density screening, and diabetes self-management services that would include nutrition therapy and blood testing strips.

This legislation is designed to protect the solvency of Medicare for 10 more years. I view this program as part of our social contract with our senior and believe that we must keep our noses to the grindstone to develop a means of permanently protecting Medicare so that it remains available to provide adequate health care for future generations of American seniors.

Another group of Americans I have sought to help in the budget process are children who do not have access to adequate health care. I am quite pleased that the $24 billion child health program included in this legislation has the potential to cover over 5 million children of the working poor who currently lack health insurance. My Healthy Children's Pilot Program Act of 1997 [S. 435] was the first Republican bill introduced in the 105th Congress which sought to bridge this glaring gap in the Nation's health care system. Although I believe that we could have provided such coverage through a discretionary spending program that relied on the States to implement creative new programs, I fully support the program established under the Balanced Budget Act, which will direct $24 billion over 5 years to States for the purpose of providing health care to children in low income families who earn too much for Medicaid, but too little to be able to purchase health insurance. One specific concern of mine as Congress crafted this legislation centered around ensuring that Pennsylvania's vanguard Caring and BlueCHIP children's health programs were protected rather than superseded by a new Federal bureaucracy. I am pleased to see that this bill specifically grandfathers Pennsylvania's programs, recognizing them as examples of success and innovation.

During consideration of the Senate version of this legislation, there were several provisions I could not support and I am pleased that the Balanced Budget Act of 1997 does not contain them. In particular, these were the provisions to extend the Medicare age of eligibility from 65 to 67, to impose new copayments on Medicare beneficiaries receiving home health services, and to means-test Medicare premiums. As the final compromise legislation demonstrates, it is possible to reach the goal of a balanced budget while also protecting access to quality health care, affordability, and choice in the Medicare program. This bill will also begin what I hope is a bipartisan process to address the long term implications of the baby boom generation for the Medicare program by establishing a

Medicare Commission which will report to Congress with recommendations on how to ensure Medicare program solvency well into the 21st Century.

Another issue which I have worked on is preserving funding for Pennsylvania under the Medicaid Disproportionate Share Hospital Program, which reimburses States for their payments to hospitals for medical treatment for low income Americans. Of particular importance to Pennsylvania were the proposed restrictions on the use of funds by States to reimburse Institutes of Mental Disease [IMD's]. While we were able to convince Chairman ROTH to delay the restrictions by 1 year during Senate floor consideration of the bill, I continue to be troubled that this legislation unfairly penalizes Pennsylvania by limiting its ability to spend Federal resources on IMD's. I have worked with Gov. Tom Ridge and Senator RICK SANTORUM to seek modifications to these legislative provisions and would note that Pennsylvania faced losses of as much as $1.7 billion under an early draft of the Medicaid reform proposal and will instead face reductions in the area of $131 million. I am not satisfied with the proposed reforms in this program and, since the IMD restrictions do not go into effect until fiscal year 2000, I will work closely with Governor Ridge and Senator SANTORUM to see what we can do to ensure that Pennsylvania receives its fair share of Medicaid DSH funds in the outyears.

In closing, I would note that as with any comprehensive reform legislation, it will take some time to determine what, if any, modifications will be needed to ensure that we protect seniors, children, and others who rely on the Federal and State programs that constitute our social safety net. However, on the whole, this is a good piece of legislation which moves us toward the goal of balancing the Federal budget by 2002.

Mr. BRYAN. Mr. President, the balanced budget agreement before us is an historic document. The agreement puts us on the path to a balanced budget in 2002, the first balanced budget since 1969.

The agreement contains significant changes for Medicare, Medicaid, and welfare. The Children's Health Insurance Initiative is also a momentous move toward ensuring all children in this country will not want for lack of health care.

This was my first year as a new member of the Senate Finance Committee. The committee spent many hours debating and considering the myriad of issues involved in developing the Medicare and other health areas of this budget bill. These issues were complex, the debate long, and decisions very difficult to make. As with any far-reaching legislation, no one, including myself, agrees with every provision included.

NEW MEDICARE CHOICES AND BENEFITS

New choices are provided for Medicare beneficiaries to choose how they would like to receive their health care. These choices include: continuing the traditional fee-for-service Medicare; provider sponsored organizations which are similar to HMO's, except they are operated by medical providers rather than insurance companies; private fee-for-service; preferred provider organizations which allow beneficiaries to choose doctors outside their HMO network; continuing current private plan HMO's that generally provide more benefits, including prescription drug coverage, than traditional Medicare, at a lower cost. A medical savings account combined with a $6,000 high-deductible policy option will be tested as a demonstration project limited to 390,000 participants. This $6,000 deductible is nearly three times as high as the maximum deductible allowed in last year's health care reform law. I supported the Senate version which would have limited the demonstration to 100,000 participants, and established a cap on out-of-pocket expenses of $3,000, which were not accepted in the final budget agreement. With the bill's high deductible, there is serious concern regarding whether any but the most affluent Medicare beneficiaries will be able to choose this option, and if they do, what the impact of the loss of those generally healthier and younger beneficiaries will be on the traditional Medicare fee-for-service option expenses.

Medicare beneficiaries' future health will be improved with the inclusion of new preventive health care services. These new services include mammography, PAP smears, diabetes, prostate and colorectal screening, bone density measurement, and vaccines.

MEDICARE FRAUD AND ABUSE PREVENTION

This budget bill also builds on efforts to reduce Medicare fraud and abuse efforts included in last year's Health Insurance Portability and Accountability Act. A new toll-free telephone number is established to allow Medicare beneficiaries to report fraud and billing irregularities directly to the Inspector General of the Department of Health and Human Services. It is hoped the toll-free hotline will encourage beneficiaries to be even more diligent in reviewing their Medicare bills, and reporting any discrepancies. Additionally, Medicare beneficiaries will be given the right to request an itemized billing statement for their Medicare services.

Suppliers of durable medical equipment must provide information as to persons with an ownership or control interest in the company. These suppliers, and home health agencies, comprehensive outpatient rehabilitation facilities and rehabilitation agencies are all required to post a surety bond of $50,000. These are efforts to ensure only legitimate Medicare providers are certified, and to reduce the incidences of fraud and abuse in these services.

The Secretary of Health and Human Services will be able to refuse to enter into, or renew a Medicare agreement with a provider, either an individual or an entity, who has been convicted of a felony under Federal or State law for an offense which would be inconsistent with the best interests of Medicare beneficiaries. If a provider has been mandatorily excluded from participating in Federal and State health care programs because of a conviction involving Medicare or Medicaid program-related crimes, patient abuse, or felonies related to health care fraud or controlled substances, the exclusion shall be for a period of 10 years if the provider has been convicted on only one occasion, and permanently excluded if the provider has been convicted on two or more occasions. Its the old three strikes and you are out reapplied.

LONG-TERM MEDICARE REFORMS

As a member of the senate Finance Committee, I supported efforts that would have begun to make long-term Medicare reforms. I am disappointed none of these proposals were included in this final budget.

Over the past 2 years, the rapidly rising costs of the Medicare program, and its future solvency, have been major concerns. The 1997 Medicare Trustees Report concluded the Medicare part A trust fund, providing hospital service coverage, is likely to become insolvent as early as 2001. This balanced budget does buy us approximately 10 more years of trust fund solvency. But unless we promptly address the solvency of Medicare, we will still face a medical and fiscal crisis as the baby boomers retire, and begin to rely upon Medicare.

The Congressional Budget Office estimates that Medicare costs in 1997 will be $212 billion. In 2007, the costs are estimated to total over $467 billion—well over a 100 percent increase.

In the year 2011 alone, the year the baby boom generation begins to reach 65 years of age, more than two and a half million individuals will become Medicare eligible. Medicare cannot come close to covering these future retirees, as well as those already retired, unless changes are made. This is the harsh reality we should have dealt with in this budget.

I firmly believe a reduction in Medicare benefits for eligible beneficiaries should not occur. Yet, to ensure these health care benefits continue, changes must be made elsewhere in the Medicare program.

Raising the Medicare eligibility age to coincide with the Social Security eligibility age, and increasing the costs of the Medicare Part B—the physician and outpatient services coverage—monthly premium of the most affluent 4 percent of all Medicare recipients are two ways to ensure our Medicare program remains solvent past 2001—and that benefits are not reduced for all older Americans.

In fact, in 1983, during the Reagan administration, similar age eligibility requirement changes were made for Social Security beneficiaries to help prolong the solvency of that program as well.

The Senate bill would have increased the age of eligibility for Medicare from 65 years to 67 years of age. Yet this shift would have taken place during a span of 25 years—from 2003 to 2027—and would not have affected anyone who is currently receiving Medicare benefits.

One of the major criticisms of the Medicare age increase proposal was that it could leave many seniors without adequate health care coverage if they choose to retire earlier. Currently, if an individual wants to retire earlier than the Social Security retirement age of 65 years, the individual takes a reduction in his or her Social Security benefit. We could allow early retirees, who are Social Security eligible, to buy in to Medicare coverage earlier. This may, however, require higher costs for such beneficiaries, until they reached the age of full eligibility for Social Security and Medicare benefits.

This final budget bill has bought us some time to deal responsibly with preserving Medicare. A national bipartisan commission will be established to recommend long-term Medicare reforms to ensure this vital health care program can meet the challenge of providing coverage for the baby boom generations. When this commission reports its recommendations, Congress must act upon its reform recommendations immediately. And it would be irresponsible of Congress not to make the tough, often unpopular, decisions that are going to be necessary to preserve this vital program. The sooner these reforms are made, the sooner we can ensure future Medicare beneficiaries will not face a reduction in covered medical services, and that Medicare survives into the 21st century.

CHILD HEALTH CARE

This budget agreement is also a pivotal effort to address the needs of the 10 million uninsured children in this country. An unprecedented $24 billion will be flowing to States to provide health care to these children. This new child health program will be paid for, in part, by a 10-cent-per-pack increase in the cigarette tax for the years 2000 and 2001, and another 5-cent-per-pack increase in 2002, for a total of 15 cents. Although I would have preferred the full 20-cent increase in the cigarette tax that the Senate included in its version of the budget bill, this increase will still provide a substantial increase in the number of children receiving health care coverage.

I am, however, concerned with these final child health provisions. The Senate child health proposal would have ensured children had a comprehensive benefits package. Children's health care coverage would have specifically included such services as vision and hearing, prescription drugs, and mental health care. Instead, States will decide what benefits to offer.

The importance of a comprehensive benefit package, tailored to the specific health care needs of children, is key to ensuring that these new health care funds are used as to benefit children. This final bill provides States a number of options to determine a benefits package.

As a former Governor, I understand the desires of State Governors who want freedom to determine how to use the Federal child health funds. However, the goal, first and foremost, is to provide children throughout this country the health care services they need. Given the amount of Federal child health funds going out to the States, and the creativity shown in the past by some States in skirting restrictions placed on Federal funding, I am concerned some of these vital funds could find their way to other areas.

Such a diversion of funds occurred several years ago, when Congress appropriated money for the States to begin receiving Medicaid DSH—disproportionate share hospital—Federal funds. This money was to help hospitals providing care to the poorest and most vulnerable people cover their increased expenses. Some States' money found its way into State road construction budgets among other uses. Congress had to step in and take corrective action.

This budget bill will allow States to use 10 percent of the child health initiative funds for noncoverage purposes, which are defined as administration and health care outreach. That 10 percent is $2.4 billion of the total Child Health Care Initiative—and that is significant money. Congress must ensure States use all of the child health funds for the purpose for which they are intended—to provide the children of this country comprehensive health care coverage period.

CONCLUSION

As historic as this balanced budget may be, it marks a first step toward what must be done to assure the millions of Americans who are current and future Medicare beneficiaries that their health care benefits will continue. There is much work yet to be done to honor the commitment this country has made to Medicare to assure not only that these health care services continue, but the quality and scope of care are sustained, and the rampant fraud and abuse of the program is brought to a halt. Necessary reforms are required. The sooner they are implemented, the sooner Medicare can be assured of continuing into the 21st century. We are taking a major step toward this goal today, but many steps are yet to be taken.

Mr. JEFFORDS. Mr. President, the impending passage of this balanced budget agreement is a historic moment of our Nation. The vote that my colleagues and I are making in support of this balanced budget agreement is a vote that each American should take pride in. This legislation represents a real victory for all Americans. Children, students, senior citizens, and families will all benefit from our actions today. This conference report will put this country on a financially responsible path while also taking the necessary steps to protect Medicare and provide health care coverage to our Nation's uninsured children.

This legislation is built on consensus, and no plan built on compromise can make everyone happy. There are certain provisions that I wish were in this bill and there are other provisions that I feel could have been changed. However, it is more important that we move the process forward instead of shutting down the system. Overall, though this budget package provides benefits that will strengthen our economy, reduce the tax burden on individuals and families and eliminate spiraling deficits.

The measure provides tax relief to families by providing a permanent $500-per-child tax credit for children under the age of 17. The bill creates incentives for savings and investment with expanded individual retirement accounts, reducing capital gains and increased deductions for small business. The legislation provides for estate tax relief which will affect many residents of my home state of Vermont. The bill will impose roughly $297 billion in savings over the next 5 years and $900 billion over the next 10 years while still protecting programs that are vital to the interest of all Americans. But most importantly, this legislation furthers our efforts to provide health care and education for children.

Mr. President, there is no resource more precious than the children who are right now playing in the school yards from Vermont to California. I worked closely with my colleagues Senator HATCH, Senator KENNEDY, Senator CHAFEE, and Senator ROCKEFELLER to develop legislation that would provide health care coverage for our Nation's uninsured children. This conference report will establish a new $24 billion health care coverage program for as many as 5 million uninsured children. The establishment of this coverage is not the end but only the beginning to ensure that every child born in this country will have a healthy start in order for them to fulfill their own personal American dream.

I would like to express my special appreciation to Senator ROTH and Senator LOTT for including in the Children's Health Initiative a provision that will allow States like Vermont whose Medicaid coverage for children already extends beyond 200 percent of poverty to cover children with incomes 50 percentage points higher than their Medicaid cutoff. I feel this section will give these pioneering States the necessary flexibility and resources to continue moving forward toward the goal of ensuring that all children have access to quality health care. In addition, the children's tax credit in this bill will result in meaningful savings for families. For a family with two children, this bill will result in a 1999 tax bill that's $1,000 less than they would have otherwise owed.

The children's tax credits in this bill will result in meaningful savings for families with children. For a family with two children, this bill will result in a 1999 tax bill that's $1,000 less than they would have otherwise owed. In addition, the bill recognizes the critical relationship between education and our national economic well-being. With $39 billion in education tax incentives, the bill will ease the burden on families paying for higher education. These tax incentives will help families save for college, pay tuition costs while students are in college, and repay funds borrowed to pay for college. And the bill's education tax incentives are not limited to college expenses. The bill has a life-long education tax credit to help workers who want to brush up on their job skills or learn new employment skills.

This agreement also recognizes the critical relationship between education and our national economic well-being. In a day and age beset by downsizing, when job skills are constantly becoming outmoded by technological advances and breakthrough in learning, education will be a lifetime endeavor. I am happy that the bill recognizes this, and makes lifetime learning more easily affordable. Aid to education is not limited to tax incentives; the tax incentives are supplemented by meaningful spending increases for scholarship grants and literacy programs. Throughout my years in the Congress, first on the Education and Labor Committee in the House of Representatives, and now as chairman of the Senate Labor and Human Resources Committee, I have worked to make education more readily affordable and more easily accessible. This bill represents important steps in that direction.

During my tenure in Congress, I have tried hard to put our fiscal house in order while protecting programs that are important to the Nation. I am pleased to cast my vote in favor of this agreement, which I believe does just that. This plan finally puts four walls and a roof on a foundation toward a balanced budget that this Congress has been building over the last 15 years. Today, this body is taking giant steps closer to ensure the future economic security of our children and the next generation.

Mr. BINGAMAN. Mr. President, a little over two weeks ago, I sat down with several Albuquerque families who are working hard to pay the bills, put food on the table, and give their children a good home. Among those gathered at the meeting, there was Carol Howell, who is struggling with the help of her husband to make ends meet and raise four children. And there was Jan Usinger, a divorced mother with a Masters degree in French, working three jobs to build a decent life for her three children.

Each of the families I met were perfect examples of who should reap the benefits of any tax relief package produced by Congress. And yet, what brought us together that day was the sad fact that none of these families would be able to claim the highly-touted $500 per child tax credit in the bill passed by the Senate —not because they earned too much money, but because they earned too little. In the eyes of some in Congress, these families were not rich enough to deserve the full child tax credit. Some even argued that to give hard-working families making about $25,000 a year a tax break was like giving them welfare.

I'm pleased to say that in the heated debate that took place in Washington over who should be allowed to claim the child tax credit, these families finally won—and they won big. Jan Usinger, who would have seen only $6 in tax relief from the child credit under the House bill, will now get a tax break of $1,500 in the final bill negotiated between the President and Congress. That's no small change when you consider the cost of clothing, school supplies and child care.

The final tax relief compromise enacted last week is a significant victory for the Usingers, and for the millions of working and middle-income families like them across the country. Some of the more helpful provisions in the bill will help offset the cost of raising children, make college more affordable, and even help adults go back to school for more training. There is also a $24 billion set-aside to provide health insurance to more children from working families now unable to afford it.

The child tax credit tops the list of provisions New Mexico families will find most helpful. This new child credit will be available to families earning between $15,000 and $30,000, as well as those making between $30,000 to $150,000 a year. The size of the credit will vary according to the number of children and parents in the family, along with other factors.

Best of all, the credit can be used to reduce a family's total federal tax burden—whether it's income taxes or federal payroll taxes. This is a key change from earlier versions of the bill, and it will make a big difference for the nearly three-quarters of lower-income working Americans who pay more payroll taxes than income taxes. Furthermore, employers will be instructed to make adjustments on withholding forms so that families can see the benefit of this credit as soon as possible.

While the economic benefits of a college-educated workforce have increased tremendously over recent years, the financial obstacles have increased even faster. To help make higher education more accessible, the tax bill now includes a $1,500 tax credit for the first two years of college, and a credit of up to $1,000 for students after their first two years of college. Together, these credits would cover nearly all the costs of the average public college in the U.S. Workers can also receive up to $5,250 in employer-provided training each year, without having to count the benefit as taxable income. At a time when workers must continually update their skills, this break will help them get the training they need to make it in today's job market.

Finally, a major source of economic anxiety for working families is the cost of medical care. Almost 150,000 New Mexico children are without health insurance, and many of them come from working families who earn too much to qualify for Medicaid, but not enough to afford health insurance for their children. The provision setting aside $24 billion for expanding children's health insurance was designed with these working families in mind. It will provide states like New Mexico the resources to cover these children, giving them access to everything from routine checkups and antibiotics to emergency medical care. This provision will help more kids develop into healthy adults, and it will do so without imposing unworkable new federal mandates.

It's important to note that this tax relief would not be possible or responsible, were we not on the brink of balancing the federal budget. In 1992, our nation ran a whopping $290 billion budget deficit, which has been shaved down to an estimated $45 billion this year. I think it is fair to say that if our country had not tightened its belt in the 1993 budget package to achieve this deficit reduction, interest rates would probably be higher, unemployment higher, and our economic growth slower. Now the people who helped sacrifice to get us to the point where we are today—like the 70 percent of New Mexicans earning under $30,000 a year—are getting some deserved tax relief.

This tax deal is not perfect, and it certainly hasn't done much to make the tax code any simpler. But this final compromise does deliver where it matters. It provides relief not just to upper-income families but to the many new, young families in New Mexico who are working hard to deliver a decent quality of life to their children and to provide the educational opportunities and health care support that will lay a strong foundation for their success. In the end, this bill helps us invest in all of our children—and for this reason I think we have actually achieved something worthwhile this week in Washington.

Mr. President, I do need to make references as well about certain provisions in this tax bill which are very good for small businesses in New Mexico as well as around the nation.

First, the bill reinstates the home office business deduction, which I know is a very important issue for many self-employed people in our state and many other small business owners.

This legislation also includes an important provision phasing in an increase in the self-employed health insurance deduction. The percentage of the deduction in 1997 is now at 40%, but it rises to 100% by the year 2007.

Also, many businesses benefit by investing in continuing education programs for their employees, and this tax bill extends for three more years the tax exclusion for employer-provided educational assistance.

It also provides an enhanced deduction which businesses can claim for the donation of computers and technology to schools.

Also, very importantly, a provision has been included that I have been working with a number of Senators over the last year. This provision builds on a small business initiative included in the 1993 budget plan. The original legislation stated that gains from stock held more than five years in publicly traded firms with assets less than $50 million would be taxed after the sale of stock at 50% of the capital gains tax rate. The new provision allows this gain to be rolled over into other small businesses of the same size on a fully tax-deferred basis.

This will hopefully keep more capital in the small business sector. Overcoming venture capital deficiencies in New Mexico is one of the major hurdles that our state constantly faces. Hopefully, this provision will do some good for our state.

Furthermore, small businesses with average gross receipts of less than $5 million will be exempt from the corporate alternative minimum tax. This covers a great majority of New Mexico companies.

Also in the estate tax area, owners of qualified family owned businesses and farms will be able to exclude—starting next year—up to $1.3 million of their estate from inheritance tax. This is a very big provision—particularly as the general estate tax will be incrementally increased from $600,000 to $1 million by the year 2006. This family-owned estate tax relief puts the entire exclusion in place next year. The requirements are that the family owned business or farm must be at least 50% of the estate and heirs must participate in the business for 10 years after descendent's death. This provision will help a great number of small firms, farms, and ranches pass on to their heirs estates which often have a vast majority of their value tied up in the business. The failure to provide this exclusion in the past has unfortunately forced some families to liquidate businesses after the principal owner died.

Also on the farm front, farmers who often face years of boom and bust are provided the option of 3-year income averaging for the next two years. I suppose we are going to see if this provides relief to farmers and consider whether to extend this option in the years that follow.

Finally, the tax deal also includes extension of the research and experimentation credit for another year as well as it extends the Generalized System of Preferences (GSP) through June, 1998. This provision is particularly important to our state's jewelry firms that import some of their stones and materials from lesser-developed countries.

These are some of the items that I feel that small businesses should know about. If you download the actual bill from the World Wide Web, Mr. President (the address is http://speakernews.house.gov/taxfull.htm), you'll be printing 304 pages. My staff had to do this, in fact. Hopefully, by highlighting these items, some small businesses won't be completely dependent on H&R Block and the various computer tax packages that sort out this material.

I recognize that if the standard of living is going to increase for citizens of this state, small business is going to be the primary engine in that effort. In any case, I am happy to report and restate that I think we have actually achieved something worthwhile this week in Washington.

WAIVING THE RULES REGARDING MEDIA CONCENTRATION

Mr. GORTON. Mr. President, I rise today to address a provision in the reconciliation bill that deals with spectrum. In an ill-advised concession, the Senate accepted a partial waiver of the duopoly and newspaper-broadcast cross-ownership restrictions that will allow broadcasters and newspaper owners in cities with populations over 400,000 to bid for the returned ''analog'' spectrum in those markets. I believe this simply is bad policy. As plainly explained in the report, the Senate, like the House—that originally sought an even broader waiver—put revenue concerns first. First, and ahead of what I believe to be graver concerns for the intellectual wealth and benefits that accrue from a diversity of voices and opinions in a marketplace.

Fortunately, although we have, in my view, compromised unacceptably, we have not done so unqualifiedly. The final bill provides for a waiver of the duopoly and newspaper-broadcaster cross ownership ban only in cases of cities of over 400,000. Moreover, the bill provides only a one-time waiver, only in large markets, which are likely to have more (and more diverse) media, and only under circumstances (the auction of ''duplicate'' spectrum) in which the number of broadcast voices could double.

BALANCED BUDGET ACT OF 1997

Mr. DODD. Mr. President, with today's passage of the Balanced Budget Act of 1997, the Senate has taken a historic step toward ensuring the long-term solvency of the Medicare program.

I am pleased that many of the provisions that I found to be so objectionable when this bill first came to the floor of the Senate one month ago, have since been removed. In stating my reasons for originally opposing the bill, I shared my deep concern over the proposal to raise the age at which individuals are eligible to receive Medicare from 65 to 67. The likelihood of these seniors finding affordable private insurance would have been slim—many would have been forced to forego coverage. It was a wise decision on the part of my colleagues serving as conferees on this bill that they did not decide to exacerbate the current problem of lack of health coverage for early retirees further with this measure.

I am also pleased that a provision that would have required the poorest and sickest seniors to pay up to $700 a year in home health costs has also been dropped. Looking to the most vulnerable Medicare beneficiaries to shoulder this level of cost under the guise of addressing the long-term financial challenges of this program would have been indefensible.

In addition to the removal of these onerous provisions, this legislation has been improved since the vote in the Senate by the commitment to continue Medicaid coverage for the 30,000 disabled children who will lose their Supplemental Security Income benefits as a result of eligibility changes in the welfare reform bill enacted last year. This provision, which was highlighted as a priority in the original budget agreement between President Clinton and Congress, was noticeably absent in both the House and Senate bills. Along with Senator CONRAD, I offered an amendment to continue health insurance for these children and was disappointed to see it fail by only nine votes. However, I am grateful to the conferees that protection for these children of working poor families was achieved in the conference negotiations.

This legislation will also significantly increase health coverage for children who currently lack insurance. We certainly have come a long way on this issue since the debates of earlier years. Even as recently as last year, the question was still whether or not to provide health insurance to our nation's children, rather than how we might accomplish this admirable goal. By adopting the Senate provision, which calls for $24 billion for this new initiative, we can now offer the hope to more than seven million children that cost will not be a barrier to securing health care.

Of course, I am disappointed that the important and courageous attempt to ask those Americans who can afford to contribute a little more for their health care to do so was dropped. It is important to remember that only the wealthiest 8% of seniors would have seen a rise in their premiums. I maintain my conviction that the adoption of means testing of Medicare premiums was a step in the right direction toward the long-term solvency of the critically important safety net that Medicare provides to millions of senior citizens.

I also continue to have significant concerns about the reductions in Medicare and Medicaid payments to hospitals and managed care organizations. In order to ensure that our nation's seniors and lower-income citizens receive the affordable and high-quality care they need, health care providers must continue to be adequately funded. I am particularly concerned about the reduction in payments to teaching and disproportionate share hospitals. These hospitals serve a population that is sicker and poorer than most hospitals. Reduction in payments of this magnitude threaten the ability of these hospitals to continue to serve as a safety net for the most vulnerable in our society.

In addition, I am concerned about the impact of the new HMO payment structure on low-income seniors who selected managed care plans because they truly need the additional benefits and low out-of-pocket costs that these plans can offer. These seniors cannot afford the high deductibles and copayments of Medicare fee-for-service, nor can they afford to purchase expensive Medigap coverage. While I am pleased that Congress has attempted to provide more health care choices for Medicare beneficiaries, I believe that without adequate funding, these choices will not be viable ones.

Despite these concerns, this legislation goes a long way toward providing many of our nation's citizens with the care they need and expect from Medicare. I view it as an important step toward ensuring that Medicare is here to serve future generations of Americans. It is for this reason, Mr. President, that I am pleased to support the Balanced Budget Act of 1997.

Mr. SMITH of New Hampshire. Mr. President, earlier this week, the White House and the Congress reached a historic agreement that will balance the budget by 2002. Today, I rise in support of the portion of the deal that provides tax cuts to American families and small businesses: the Taxpayer Relief Act, H.R. 2014. After enduring sixteen years without any tax relief, Americans will finally benefit from tax cuts that will affect many aspects of their lives. Under our tax package, not only will taxpayers immediately see their tax bill go down, but saving for retirement, paying for college, and investing for the future will be much easier. I am encouraged and pleased that the Republican-led Taxpayer Relief Act provides $95 billion in tax cuts over five years and represents an improved standard of living for taxpayers at every stage of life.

This tax relief comes at a time when the nation's tax burden is at an all time high. Partly due to President Clinton's tax hike back in 1993, today's taxpayers face a combined federal, state, and local tax burden of nearly 50% of their income—more than the cost of food, clothing, and shelter combined. In fact, for every eight hours of work, the average taxpayer spends about three hours just to pay the tax collector. And too many families could not survive without two incomes just to make ends meet. We cannot let this situation continue. By letting hard-working Americans keep more of their own money, we allow them to preserve their family, prepare for their own future, and invest in the nation's economy.

The future of the family. I can no longer stand by while families in New Hampshire lose more and more time together because they have to work longer and harder to send their pay to Washington. The Taxpayer Relief Act addresses this growing problem in several different ways. First, taxpayers with young children will get a $500 tax credit for every child. In 1999, a middle-income family in New Hampshire with two young children will save $1,000 with this credit! Second, the tax relief measure reduces the capital gains rate for taxpayers who invest for their future. If the same New Hampshire family realizes $2,000 in capital gains to help pay for college or buy a home, they will save an additional $100. It would also be easier for this family to sell their home, as the tax package exempts $500,000 of capital gains on the sale of a principal residence. Equally important, this tax cut benefits their grandparents since many senior citizens depend on capital gains as a primary source of retirement income. Since 56% of taxpayers with gains have incomes of less than $50,000, and the percentage of families who own stock has increased from 32% in 1989 to over 41% today, many Americans will welcome this revision.

Our plan also offers relief to parents who face higher expenses as their children grow older. Families can save for higher education by taking advantage of the plan's education accounts, penalty-free withdrawals for education, or popular tax-free prepaid state tuition plans. When the student reaches college, parents receive a HOPE tax credit for tuition and related expenses for four years of college. In the first two years, for example, parents can receive a tax credit up to $1,500 to help pay for their child's education. These provisions help parents in New Hampshire face the challenge of saving and paying for higher education in order to invest in a brighter future for their children.

Preparing for the future. Our savings rate is one of the lowest of all industrialized nations partly because too many Americans find it difficult to save for retirement and pay high taxes. Under our Taxpayer Relief Act, individuals planning for retirement will benefit from expanded Individual Retirement Accounts (IRAs). Specifically, we created a new ''back-loaded'' IRA—contributions are not tax-deductible, but withdrawals upon retirement are tax-free if the account is held for at least five years. Once the IRA is established, penalty-free withdrawals are allowed for a first-time home purchase or for higher education expenses. In addition, thanks to the efforts of Senator JUDD GREGG, the bill allows non-working spouses to contribute to an IRA whether or not the working spouse is already in an employer-sponsored retirement plan. As a result, a New Hampshire couple can make a yearly tax-deductible IRA contribution of $4,000, rather than just $2,000. After 35 years at a 7.5% rate of return, they will have saved a nice retirement nest egg totaling $617,000!

Investing in the future. Fortunately, small businesses will finally get a well-deserved break under the Taxpayer Relief Act. Under the bill, the home office deduction is expanded to help people who work at home. In addition, the increase in the health insurance premium deduction for self-employed individuals is phased in more quickly, rising from 40% this year to 80% in 2006. And by 2007, the premium is fully deductible. Most important to many New Hampshire families I talk to, the estate tax changes also help small businesses. Now, parents who wish to pass on their small, family-owned business or farm to their children can do so knowing that the first $1.3 million will be excluded from the extremely high inheritance tax.

Finally, the tax package addresses the need to encourage saving and investment by cutting the capital gains rate from 28% to 20% (and from 15% to 10% in the lower bracket) for sales after May 6, 1997. The current high rates discourage the risk taking and creativity necessary to achieve increased productivity and prosperity. A lower capital gains rate, however, will make it easier to free up capital to invest in research, technology and equipment; increase worker productivity; and ultimately create higher paying jobs. Without a doubt, this pro-growth initiative will enhance U.S. competitiveness.

I wish I could report the same degree of satisfaction with the final version of the social spending component of this effort. When I voted for an earlier version of this portion of the package, I did so with the hope that the conference negotiations would result in its improvement. I regret that the social spending provisions produced as a result of negotiations with President Clinton failed to live up to that hope.

The conference report on H.R. 2015 contained many valuable provisions. I am pleased that Medicare beneficiaries will have more choice about the type of health care delivery plan in which they will be enrolled, including—for 390,000 seniors—the option to open Medical Savings Accounts. I welcome the creation of a bipartisan commission to address Medicare's long-term problems. And I believe that the effort to reform Medicaid undertaken in H.R. 2015 is overdue.

Unfortunately, however, H.R. 2015 fails sufficiently to move toward the fundamental, structural reforms in Medicare we all know will be required to ensure the retirement security of future generations. Furthermore, I had serious concerns about the fiscal and social damage we risk doing by retreating from welfare reform and by creating new entitlement, particularly a flawed child health entitlement which some—inside and outside of government—plan to use as the foundation of a government-run national health care system. Ultimately, these reservations dictated a vote against this portion of the legislation.

I have been a strong advocate for a balanced budget, tax relief, and entitlement reform for the past thirteen years and I am elated that we have finally made it here. I support the tax cut portion of the Balanced Budget Act, which provides $95 billion in tax cuts for American families including a $500 per child tax credit, tuition tax credits, IRA expansion to include non-working spouses, a capital gains reduction to create jobs, and reductions in the inheritance tax. These initiatives are long overdue, and I am proud to be an early and vocal supporter of tax relief. However, I am concerned that the spending portion of the budget deal creates a new entitlement program, threatens to move us toward government-run health care, and significantly increases social spending which could negatively impact the Balanced Budget Agreement.

Given that President Clinton submitted a budget earlier this year which would have added $200 billion to the deficit, the Republican-led Congress can take pride in this final agreement that implements the tax cuts fought for by our party for so long. The Tax Relief Act will help American families keep more of what they earn, save for their retirement, and promote job creation and economic growth. I support a balanced budget and look forward to voting to give New Hampshire families their first tax cut in sixteen years.

DISTRICT OF COLUMBIA REVITALIZATION ACT

Mr. THOMPSON. Mr. President, I would like to comment on Title XI of this legislation, the District of Columbia Revitalization Act. This is a major piece of legislation, and in many ways a major accomplishment, given that it was hammered out by a broad group of interested parties, including members and staff from the Governmental Affairs Committee, over a relatively short period of time. Agreement on this package was preceded earlier this year by considerable work in the Governmental Affairs Subcommittee chaired by Senator BROWNBACK. Similar efforts were undertaken by the House Subcommittee on the District of Columbia. This Revitalization package was put together quickly, in a combined effort by all concerned parties, because of a mutual recognition that the District of Columbia's problems had become untenable. The broad recognition of the magnitude of the problem plus the possibly unique opportunity to come to agreement and enact reforms was what led so many people to agree on a package that virtually everyone regards as less than their ideal.

One significant concern I have about this package is the major financial responsibility the Federal taxpayer is undertaking in the years to come. Technically, the D.C. Revitalization package meets the scoring requirements of this Balanced Budget Act, but the out-year costs are enormous and have not been dealt with. We are still evaluating the full impact of this package, but Members should be aware that the $4.8 billion in pension liability the Federal Government will be assuming is actually closer to $48 billion over time. I do believe it may be possible for these potential out-year costs to be reduced. The Revitalization package includes a provision which I requested requiring the Secretary of the Treasury to conduct a study of the D.C. pension assets and report back within a year on how the Federal Government might put them to best use. The Governmental Affairs Committee will then have the opportunity to consider whether additional legislation in this area could improve the financial outlook. The Administration has indicated a willingness to work further on this issue with the Committee, and I certainly look forward to that. We should be working together to institute reforms that make the District work independently, not simply encouraging a Federal Government takeover of all of its problems. There are assets currently in the D.C. pension fund, and rather than simply spending down those assets, we should build upon the assets so the funds are available to make payments in the future.

Another area in which I question estimates of future costs is with the transfer of D.C. Corrections to the Federal Bureau of Prisons. I know the pressure was intense to close the Lorton Correctional Complex in Virginia, but here again this bill makes the federal bureaucracy responsible for absorbing the District's prison population. While the bill incorporates provisions for privatization, I believe the record will show that the Bureau of Prisons has consistently stood in the way of increased privatization in the Federal prison system. I have no reason to believe they will have a different response with regard to the Lorton prisoners.

Many may not know that the District of Columbia was already engaged in a program to privatize the corrections function and has already entered into private contracts for housing 2,400 prisoners. I know well from my experience in Tennessee that private corrections facilities are a cost-effective, efficient and safe alternative to publicly-operated facilities. I am disturbed that Congress has substituted its judgment for the District's in this instance without evaluating whether the District's privatization initiative for corrections would work.

Privatization can save valuable taxpayer dollars. In this instance, it is conceivable that the Federal Government could save the entire $885 million estimated for construction of new facilities if the District were allowed to continue on its current course. Because I believe these cost savings are important—and because this agreement was reached without sufficient debate—I want my colleagues to be aware that I, and other of my colleagues, want to work on follow-up legislation in this area as well. I think we can do better and I want to work toward that end.

In conclusion, while this D.C. Revitalization Act is the result of a major, almost unprecedented effort by many with the best interest of the citizens of the District in mind, the reforms will require some additional thought and work to make the package live up to its full potential.

Mr. DOMENICI. Mr. President, how much time do we have on each side equally?

The PRESIDING OFFICER. The Senator from New Mexico has 10 minutes remaining, and the Senator from New Jersey has 12 minutes remaining.

Mr. DOMENICI. Mr. President, I yield myself 5 of our 10 minutes.

First, Mr. President, usually we thank a lot of people. There are so many staff people that I am not going to thank them all, but I will put all of their names in the RECORD. There are so many heroes.

But I do want to pay tribute to a staff member from the House. His name is Rick May. He has been staff director of the Budget Committee in the House. He is a graduate of Ohio State. He works for Representative JOHN KASICH. He has been their budget overseer for 10 years, working on budget issues since 1983. He helped put together the alternative that JOHN KASICH offered in 1989. It started with just 30 votes. JOHN KASICH's leadership has grown. And right at his right hand has been Rick May. He is going to join a firm here in town, and I wish him well, and want the Senate RECORD to reflect that we appreciate what he has done.

Mr. President, before I begin my remarks, I would like to take a moment to thank all of my colleagues, on both sides of the aisle, who have seen me stand in this well time and time again, and have listened to me speak about a balanced Federal budget. I want to thank you all—from the bottom of my heart—for your patience and your support.

Mr. President, I would like to thank the ranking member of the Budget Committee, Senator LAUTENBERG. I turn to him and just say thank you.

You have been an active member of the Senate Budget Committee for many years, but in your first year as ranking member you have represented the interests of your party and your constituents in an honest and forthright manner. I have enjoyed working with you.

I would like to thank the chairman of the Finance Committee, Senator ROTH. Few have worked harder or longer to ease the tax burden on American families. But the package that you helped fashion, Senator ROTH, of lowering taxes is a significant step forward. It addressed a need that has been there for almost 16 years as far as middle-income America is concerned.

The package that you helped fashion in the Finance Committee was not only a significant step in support of lower taxes, but also boldly addressed the need to reform Medicare and protect it for those who depend upon it today, and those who will need it in the future. Unfortunately, we were not able to hold those reforms in our conference but I believe your action has put us on the road to reform. Thank you and your staff for your support.

In addition to that, we praise the Finance Committee and its leader Senator ROTH for reforms in Medicare. The protection of that will depend upon whether these reforms work and whether we are successful in the future in a major reform package for Medicare.

Finally, to our leader, Senator TRENT LOTT. In short, Mr. President, we would not be standing here today, about to pass this historic balanced budget package, if not for the leadership, the support, and the efforts of TRENT LOTT. As majority leader I don't believe a day has gone by when he didn't take some action aimed at producing a balanced budget for the American people. He has been direct, he has been focused, and he has done everything you could ask a leader to do to get us to this point. The American people should know, that this bipartisan budget and tax relief package is due, in no small part, to his determination, his drive, and his commitment. Mr. Leader, I thank you for your leadership and your support.

I thank him for the support he has given me. I hope that I have been of support and help to him as we move down this course of very complicated negotiations as evidenced by the size of the bills we have and the scope of what we are accomplishing.

Mr. President, I began this debate by quoting from a newspaper that this agreement is a big deal. And, I believe it is. Because while it has taken us 7 months to put this specific balanced budget and tax relief package together, the pathway to this point has been years in the making.

This legislation is a big deal because we have followed through on our bipartisan commitment to implement the bipartisan budget agreement reached in May. It is a big deal because it will balance the Federal budget for the first time in 30 years. It is, in short, a great victory for the American people who are entitled to expect of their adult leaders that they work together in the best interests of our country.

For the past 2 years, many of my colleagues and I have insisted that any budget passed through Congress be a balanced budget, one which is fiscally responsible, reduces the deficit, protects our children, provides much-needed tax relief for working American families, while preserving and strengthening Medicare and encouraging economic growth. The Balanced Budget Act of 1997 does just that.

It covers hundreds of Government programs; it has taken thousands of man-hours to put together; it will help millions of our citizens; and save billions and billions of dollars.

The budget we will vote on today is a big deal because it offers America hope. But not only is this package a big deal it is also a good deal.

It is a good deal because it is a budget designed to help American families, to make them more secure—in their homes, in their communities, in their jobs.

It offers them a more efficient government—one dedicated to economic growth and security, support for our children, and lower taxes on America's workers.

This budget is a good deal because it recognizes the simple notion that our Government cannot simply go on borrowing and spending our children's money. It will finally drive a stake through the heart of the Deficit Dragon, and put an end to mounting Federal debt, a Medicare system that will go bankrupt and a crushing tax burden on those just starting out in life.

The budget is a good deal because it will strengthen America. It will change the way our Government works—to make it more efficient, more responsive, and less expensive. And, most importantly, it will ensure a better future for our children and our Nation.

This budget is a good deal because it reflects our commitment to fiscal responsibility, generating economic growth, creating good jobs with a future, and protecting the American dream for all our citizens—young and old alike.

This budget is a good deal because it will restore America's fiscal equilibrium. It will reverse the tide of 50 years of power flowing for the rest of the country to Washington. We want to provide more freedom and opportunity to people at the local level so they might have more control over the decisions on programs that effect their lives, their children, and their communities.

This budget is a good deal because it recognizes the need to ease the tax burden on America's middle-class working parents, to give them a $500-per-child tax credit. This credit will help more than 50 million American children in nearly 30 million families. Under this plan a family with two children under age 17 would receive $1,000 in permanent tax relief.

It's also a good deal for family farmers and small business men and women; for homeowners who will someday sell their home; and for all those who want to create incentives for economic growth and job creation.

And, this budget is a good deal because while we are working toward balance and tax relief, we continue to support programs which provide needed services to our citizens and we have been painstakingly careful to preserve a safety net for those in need.

To provide health care for poor children who have none. To strengthen Medicare and provide more health care options for our seniors. To improve access to higher education and help parents and our young people pay for college.

We support programs aimed at keeping Americans safe—in their home, schools, and neighborhoods—by funding needed crime programs.

> The question whether one generation has the right to bind another by the deficit it imposes is a question of such consequence as to place it among the fundamental principles of government. We should consider ourselves unauthorized to saddle posterity with our debts and morally bound to pay them ourselves.

Mr. President, we might wonder where that came from. Was that just a statement here lately when our deficit and debt grew? No, it wasn't. It was made by Thomas Jefferson. Thomas Jefferson was a wise man. He wrote the Constitution. And he understood that if you pass on to the next generation, and the next generation—as he calls it, posterity—the debts of your generation, you take the chance that their life being reasonable, good, prosperous, and successful is limited. It limits their freedom. That is why we have been so worried about the debt, and the annual deficit that contributes to it.

Today we will cast a vote of great significance to the future of America. It is the vote so many of us have said we wanted—a vote to finally balance the Federal budget.

One of freedoms great leaders Winston Churchill told us the "price of greatness is responsibility." We in government shoulder that responsibility. We actively seek it by running for public office. I believe the time has come to shoulder our responsibility and enact a balanced Federal budget.

In doing so, we are casting a vote in support of America's future. You may serve here for years and never cast a more important vote. Because you now have a chance to vote to protect America, to strengthen it, and improve it.

Today we can begin writing a new chapter in American history. That is why this is a big deal and that is why it is a good deal.

Mr. President, I ask unanimous consent that a compilation of extraneous provisions of the Balanced Budget Act of 1997 be printed in the RECORD.

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

EXTRANEOUS PROVISIONS—H.R. 2015—BALANCED BUDGET ACT OF 1997

Conference	
Provision	Comments/violation
Title III—Communications and Spectrum Allocation	
Section 3002(a)(1)(C)(iii) ...	Requires FCC to set a reserve price or minimum bid for auctions, unless not in public interest. Byrd rule(b)(1)(A): Produces no change in outlays or revenues.
Section 3004-adds "Sec. 337(e)(2)" and "(f)(2)".	Directs FCC to consider needs of low-power television stations in conducting transition to digital TV, which the FCC is already doing under current law. Byrd rule(b)(1)(A): Produces no change in outlays or revenues.
Title IV—Medicare, Medicaid, and Children's Health Provisions	
Sec. 4021	Medicare Commission. Byrd rule(b)(1)(A): Produces no change in outlays or revenues.

EXTRANEOUS PROVISIONS—H.R. 2015—BALANCED BUDGET ACT OF 1997—Continued

Conference	
Provision	Comments/violation
Sec. 4022	Authorization of the Medicare Payment Advisory Commission. Byrd rule(b)(1)(A): Produces no change in outlays or revenues.
Sec.	Study on Definition of Homebound. Byrd rule(b)(1)(A): Produces no change in outlays or revenues.
Sec.	Study and Report on the Boren Amendment. Byrd rule(b)(1)(A): Produces no change in outlays or revenues.
Title V—Welfare and Related Provision	
Sec. 5001(f)	Evaluations. Byrd rule(b)(1)(A): Produces no change in outlays or revenues.
Sec. 5001(h)	Clarification that sanctions against recipients under TANF Program are not wage reductions. Byrd rule(b)(1)(A): Produces no change in outlays or revenues.
Sec. 5001(i)	GAO Study of effect of Family Violence on Need for Public Assistance. Byrd rule(b)(1)(A): Produces no change in outlays or revenues.
Sec. 5002	Limitation on amount of Federal Funds transferable to title XX programs. Byrd rule(b)(1)(A): Produces no change in outlays or revenues.
Sec. 5003	Limitation on number of persons who may be engaged in work by reason of participation. Byrd rule(b)(1)(A): Produces no change in outlays or revenues.
Sec. 5201	Clarification of authority to permit certain redisclosures of wage and claim information. Byrd rule(b)(1)(A): Produces no change in outlays or revenues.
Sec. 5408	State Program Integrity Activities for Unemployment Compensation. Byrd rule(b)(1)(A): Produces no change in outlays or revenues.
Sec. 5702	Authorization of appropriations for enforcement initiatives related to the earned income credit. Byrd rule(b)(1)(A): Produces no change in outlays or revenues.
Title VIII—Veterans and Related Provisions	
Sec. 8023(a) 1729A(e)	Report to Congress. Byrd rule(b)(1)(A): Produces no change in outlays or revenues.
Title X—Budget Enforcement and Process Provisions	
Title X	Budget Enforcement and Process Provisions. Byrd rule(b)(1)(A): Produces no change in outlays or revenues.
Title XI—District of Columbia Revitalization	
Under Review.	

Mr. DOMENICI. Mr. President, I note the presence of our distinguished majority leader. I wanted to reserve the remainder of the time for him.

I yield the floor.

I understand the minority party has about 10 minutes and we have about 5 minutes for you, Mr. Leader.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. DOMENICI. Senator LAUTENBERG, is it your desire to yield the remaining time to the majority leader?

Mr. LAUTENBERG. I will in just a couple minutes because I want us to be able to hear from the leadership. I did not know whether or not Senator DASCHLE had some remarks that he wanted to make, but I would certainly be delighted to yield the time so that we apportion it with the time remaining on the majority side, so that the distinguished majority leader has the time that he needs to make his remarks. For the moment, I would just say that we are not done yet, in the words of the distinguished New Jersey philosopher Yogi Berra, who said, ''It's not over 'til it's over.'' We are getting ever closer. I don't yet feel the attention that comes with championship bouts or things of that nature; we have another 10 hours' worth of debate on the second part of the reconciliation bill.

At this point, I would be happy to yield the time back that we have, if the Parliamentarian could tell us how much time is remaining on our side.

The PRESIDING OFFICER. The Senator has 8 minutes remaining.

Mr. LAUTENBERG. Eight minutes. If I were to give up 5 minutes of that time, how much combined time would the majority leader have?

The PRESIDING OFFICER. A total of 8 minutes. The majority has 5 minutes.

Mr. LAUTENBERG. We will yield 5 and you have 5 so that the majority leader can have 10 minutes.

Senator DASCHLE is on his way, and I know he would like to have a couple words, so we can extend the time if we need for just a couple of minutes.

I yield the floor.

Mr. LOTT. Mr. President, I indicated last Saturday on a radio show that if we could get this answer to the American people's prayers this week, I would whistle ''Hail to the Chief'' in the Senate.

Well, the rules do not allow that. I am afraid that Senator BYRD would come down and chastise me if I whistle, but let me tell you I am humming ''Hail to the Chief'' to the American people today because we have accomplished an awful lot in reaching the agreement on these two major bills.

I was reading an article last night entitled, ''O Ye of Little Faith,'' and it made me think about what we have gone through the last few weeks. I just have to ask the Senate this morning, how many of us really, really thought we were going to get this done and that we were going to get it done this week? Even 1 week ago there were those who were saying, ''Oh, no, you can't get that done before we go out for the August recess. Wait until September; we will do it then.''

But we persisted. We just kept saying we can get through this. We can do this together. We can do the right thing for the American people, and we can do it now, because it has been a long time coming.

I think it is appropriate that on both sides of the aisle and both ends of Pennsylvania Avenue, Republicans and Democrats, House and Senate, and, yes, the President, all are saying this is good for America.

It is not utopia. It does not solve all the problems. There are some things in here I do not like. There are some things in here that the Senator from New Jersey does not like. But it is a major step forward—maybe not a leap but a major step forward. We are doing some things we promised the American people, things that really matter. It matters that we are going to get to a balanced budget, and this time it is with honest numbers. We are really going to do it. And for a lot of reasons we may do it before the year 2002. This is the type of commitment that I have not seen in the Congress in a bipartisan way in the 25 years that I have had the honor of serving the people of Mississippi. So I think we should declare this is a very important step forward. It is worth having.

I was doing an interview yesterday and somebody said: Well, not enough in the tax bill, not enough tax relief. Why wasn't there more? Why didn't you insist on this? Why didn't you insist on that?

I have a simple question. Is some tax relief better than no tax relief? There are those who would rather have nothing if they cannot get everything. Ladies and gentlemen, my colleagues in the Senate, these bills are worth having. I am proud to say that I worked on it for 8 months of my life. This past Saturday night and Sunday morning, I thought we had lost it. I was boiling inside. I was disturbed. I was hurt that we were going to let this moment get away from us. But I guess maybe after a Sunday morning of reflection and prayer, we said, no, we are going to do this. And so we did. The President made a commitment. He wanted to get it done. The leadership in the Congress, House and Senate, Republican and Democrat, wanted to get it done, and that is why we just did it. We went ahead and did it.

Let me say to my colleagues here today, there are so many I want to thank and congratulate for this step forward, but I have to begin with the distinguished Senator from New Mexico. None of us has worked longer, none of us has contributed more, none of us knows more about what is in this bill than Senator PETE DOMENICI of New Mexico. He has been my confidante. He has been my trusted ally. He has done this when, in his own personal life, he has had problems to worry about. And so I know that the President, the Democrats and Republicans on both sides of the aisle, want to say thanks a lot, PETE. You did a great job for your country.

His colleague on the other side of the aisle, Senator LAUTENBERG, could have walked away from this. Even at the last moment, something he cares about tremendously, guaranteeing we get the Amtrak funds—it is in there, but with a condition—he could have said, if I can't get what I want, I am not going to do this.

He is not going to do that. He is going to do what is right for his State and the country.

My colleague, TOM DASCHLE, from South Dakota, yesterday said some very nice things about my efforts, and I have to say the same about him. He was reliable. He was honest with me. He stayed the course. He came to the meetings. There were some meetings he didn't get to come to. A lot of people had an opportunity to get their egos hurt, but everybody rose above it.

PAT MOYNIHAN, Finance Committee, bipartisan effort. We reported one of these bills, I think it was 18 to 2, the other one 20 to nothing, out of the Finance Committee, but it began with BILL ROTH, the chairman of the Finance Committee, and the Senator from New York. They made up their minds they were going to get it done, and they were going to do it together, and the rest of us could come along if we wanted. Our scholar Senator helped lead the way.

I have to say again about BILL ROTH, patience, tenacity, he was not going to relent on getting this job done. And the Finance Committee had both of these bills. No other committee in Congress had to do it that way. In the House, it was Ways and Means and Commerce Committee as well as Budget. Over here, it was just Budget and Finance. He did a great job. We would not have what we have in the tax bill on IRA's; we would not have what we have on Amtrak; we would not have what we were able to get on a myriad of issues in this legislation. He did a fantastic job.

I could go on down the list, but it truly is a bipartisan effort, and I am proud of that. Some people say, ''Why don't you draw the line and fight?'' I have done that. Sometimes it is fun, but it doesn't produce anything but a fight most of the time.

So there will be another day to differentiate between the parties, but today we are going to do what is right for the country. This bill is rightly called the Balanced Budget Act of 1997. It contains literally hundreds of positions that will get us to that balanced budget. But the bottom line is, it is something the American people have been waiting to hear for many years. We will have a balanced budget by the year 2002 and thereafter.

How is that accomplished? Well, it does have spending reductions of approximately $270 billion over 5 years. It has $140 billion in restraint on appropriated accounts. It has $132 billion in entitlements and net interest savings. It does provide help for children's health, and that is a bipartisan effort.

Most of us are parents. Most of us have children in our States who are not covered. We disagree about how much we should pay for it, how much should be done, but it is something we care about and we should do. And we get it done in this bill.

Now, we give as much flexibility as we can to the States, and that is the way it should be. I have faith in my own Governor and my own legislature. I want these decisions to be made as close to the people that need this help, as close to the children as possible. What they need in West Virginia may be different from what they need in Arizona. Give that flexibility so that the decisions are close to the people and so it is provided in a way that will really provide the help it should.

I want to make this important point about Medicare. We are going to improve Medicare. We are going to save Medicare from going insolvent for another several years at way out to, I believe, close to the year 2007 probably, and we are going to do it with flexibility. We are going to give the seniors a chance to choose. They can go with the old system; they can go with an HMO; they can go with a professional services organization; they can have medical savings accounts.

We have done what we have been arguing about for 4 years. We are actually doing it. We are doing what we said we were going to do in Medicare and that alone, what we are doing in Medicare alone is worth voting for this legislation. What other problems you may have with this bill—some of the changes in welfare, I think, go the wrong direction; we really want to get people from welfare to work. This bill has some problems, but just the Medicare provision makes it worthwhile.

We have some savings in Medicaid. The States will have a greater ability to deliver health services more efficiently for poor persons. When you look through the list of things that we have done here, in instance after instance, I think we should be very proud.

I am here today to tell you that I am going to vote for this legislation with pride, not with fear and trepidation, not with reservations or grumpiness because I didn't get everything I wanted, but because the process worked. Our system of Government worked here like I think our forefathers intended for it to work, and we are going to produce genuine results that will be of benefit. In this bill and in the other bill we will pass for our children our educational system in America, child health care, the guarantee of the important programs that we want for our seniors. From the day we are born to the day we die, there will be benefits coming out of this legislation.

So I urge my colleagues, let us make this an overwhelming vote. I think we will have as near to a unanimous vote as you will ever get in the Senate on a bill of this magnitude, a bill of this size. I think when we vote on it, it is going to pass overwhelmingly. Then we are going to go to the tax relief package, which I am tremendously excited about.

I am glad to have been a part of this effort. It has been worthwhile. It has been long. It has been tedious. It has tried my patience. I lost my temper a few times, along with others, and for those occasions I apologize. But we got it done, and we will have more decisions made by the people at the State level; we will have genuine tax relief; we will have security for our seniors, and now and then we can move on and address other problems that we need to take up for the future of our country.

I thank the Chair and I thank all Senators for what you have done on this.

Mr. DOMENICI. Will the Senator yield for 30 seconds?

Mr. LOTT. I yield to the great senior Senator from New Mexico.

Mr. DOMENICI. Mr. President, I believe we have an opportunity to write a new chapter in American history, and I am very proud to be part of it, and I thank the Senator for his kind words.

Mr. LOTT. It would not have happened without the Senator from New Mexico, and I thank him once again for all of his long hours and great leadership.

(Mr. SMITH of Oregon assumed the Chair.)

Mr. MOYNIHAN. Will the leader yield for 30 seconds?

Mr. LOTT. I will yield to the Senator from New York.

Mr. MOYNIHAN. Might I thank him on behalf of Senator ROTH, who is not present at the moment, for his very generous remarks about the Finance Committee, of which he is a member—not hardly the least of us. It is true that the overwhelming portion of both these measures fell to the Finance Committee, and we voted nearly, in one case, a unanimous measure, on one bill we are about to vote on, 18 to 2, the bill we are going to take up.

I think that has contributed considerably to the momentum that has surrounded us and brought us to this moment. I thank the distinguished majority leader for his generous remarks.

Mr. LOTT. I thank the Senator from New York.

Mr. LAUTENBERG. Mr. President, do we have any time left here?

The PRESIDING OFFICER. The Senator has 3 minutes.

Mr. LAUTENBERG. If the majority leader will yield?

Mr. LOTT. Mr. President, I am glad to yield the floor to the Senator from New Jersey.

Mr. LAUTENBERG. We will try to split the time. I want to say, also, to the majority leader, thank you for the accolades and for the encouragement that you gave Senator DOMENICI and me throughout the process and for the comments about our other colleagues, all of whom worked diligently, worked honestly on getting the mission accomplished. At times, I can tell you that Senator DOMENICI—it's no secret—would kind of lay down the book and say, ''We have to check this upstairs.'' I don't think he meant all the way up. I think he meant only as far as the majority leader's office. Or, ''We have to turn to the leadership.'' I would do the same thing.

But persistence was the keynote, persistence and patience. I want to say this about the majority leader and about the way he has conducted things. Serving in the minority, it's easy to find fault with the majority leader. But one has to give credit where due. The fact is that this majority leader has, with diligence and persistence, moved legislation through this place. He has come up to me, and I am sure other colleagues, and said, ''Frank, let's try to make sense out of this. What is it that you are trying to accomplish? Can it be done this time? Well, I don't think so. I think we can get halfway there, I think we can get three-quarters of the way.'' Or he'll say, ''That's not a bad idea and I do want to help you with that.'' And he made a commitment with me on trying to make sure our national passenger rail system keeps on functioning. He reaffirmed his commitment to help find a way to get that done.

So I want to say, relatively, as we say around here—looking around here, looking at my white hair, I can say it comfortably—the new kid on the block, the majority leader, has done a good job. It's particularly evident when we look at the accomplishment of this piece of legislation, the one we are about to pass. And he is right; it's going to pass overwhelmingly. We want to have as many people on both sides say yes as we can, to indicate to the American people that we believe in this assignment that we took on.

So, I thank the majority leader for his skill, his patience, and his persistence. I think he helped calm the waters a little bit. Because I don't remember, throughout the 7 or 8 months of discussion, often late at night, often without lunch, munchies, or otherwise, that the patience—the tempers never really got real hot. Am I right? Pete, once in a while, you know, would stamp on the floor or something like that, but he would come right back, bouncing up. We pushed our way through.

So I thank everybody involved in the effort, and I am delighted to be here, to serve in this place and serve at a time like this when we have accomplished something.

Mr. DOMENICI. Would the Senator yield for a minute?

Mr. LAUTENBERG. Yes.

Mr. DOMENICI. You know that little hideaway, the Domenici hideaway with that great view? I think when we are finished, we are going to put a plaque in there; right? It's not mine anymore. But it's going to say, ''In this little room this budget agreement was hatched and completed.''

Mr. LAUTENBERG. May I add a word of poetry?

We stood and looked away,
Hoping for some accomplishment at the end of this day.

The PRESIDING OFFICER. All time has expired. The question is on the conference report.

Mr. DOMENICI. We don't have the yeas and nays yet. 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 the conference report. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

The result was announced, yeas 85, nays 15, as follows:

[Rollcall Vote No. 209 Leg.]

YEAS—85

Abraham	Feingold	Mack
Akaka	Feinstein	McCain
Baucus	Frist	McConnell
Bennett	Glenn	Mikulski
Biden	Gorton	Moseley-Braun
Bingaman	Graham	Moynihan
Bond	Grassley	Murkowski
Boxer	Gregg	Murray
Breaux	Hagel	Nickles
Brownback	Harkin	Reed
Bryan	Hatch	Reid
Bumpers	Hutchinson	Robb
Burns	Hutchison	Roberts
Byrd	Inouye	Rockefeller
Campbell	Jeffords	Roth
Chafee	Johnson	Santorum
Cleland	Kempthorne	Sarbanes
Cochran	Kennedy	Shelby
Collins	Kerrey	Smith (OR)
Conrad	Kerry	Snowe
Coverdell	Kohl	Specter
Craig	Kyl	Stevens
D'Amato	Landrieu	Thomas
Daschle	Lautenberg	Thurmond
DeWine	Leahy	Torricelli
Dodd	Levin	Warner
Domenici	Lieberman	Wyden
Dorgan	Lott	
Durbin	Lugar	

NAYS—15

Allard	Ford	Inhofe
Ashcroft	Gramm	Sessions
Coats	Grams	Smith (NH)
Enzi	Helms	Thompson
Faircloth	Hollings	Wellstone

The conference report was agreed to.

Mr. LAUTENBERG. I move to reconsider the vote.

Mr. COATS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BUMPERS addressed the Chair.

The VICE PRESIDENT. The Senator from Arkansas is recognized.

UNANIMOUS CONSENT AGREEMENT—CONFERENCE REPORT TO ACCOMPANY H.R. 2014

Mr. BUMPERS. Mr. President, this is a unanimous consent agreement that I have cleared with the minority leader.

I ask unanimous consent that the time controlled by the Democratic leader with respect to H.R. 2014, the revenue reconciliation conference report, that 90 minutes be under my control or my designee's.

The VICE PRESIDENT. Is there objection? Hearing none, without objection, it is so ordered.

Mr. LOTT addressed the Chair.

The VICE PRESIDENT. The majority leader is recognized.

Mr. LOTT. Mr. President, we are glad to have you in this Chamber today.

TAXPAYER RELIEF ACT OF 1997—CONFERENCE REPORT

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate now turn to consideration of the tax fairness conference report regardless of receipt of the papers from the House.

The VICE PRESIDENT. Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill H.R. 2014, to provide for reconciliation pursuant to subsections (b)(2) and (d) of section 105 of the concurrent resolution on the budget for fiscal year 1998, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The Senate proceeded to consider the conference report.

(The conference report is printed in the House proceedings of the RECORD of July 30, 1997.)

Mr. NICKLES addressed the Chair.

The VICE PRESIDENT. The Senator from Oklahoma.

OKLAHOMA CITY NATIONAL MEMORIAL ACT OF 1997

Mr. NICKLES. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 134, Senate bill 871.

The VICE PRESIDENT. The clerk will report.

The legislative clerk read as follows:

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

The Senate proceeded to consider the bill.

Mr. NICKLES. Mr. President, today, the Senate is considering S. 871, the Oklahoma City National Memorial Act of 1997. This important legislation will establish the Oklahoma City National Memorial as a unit of the National Park Service and create the Oklahoma City Memorial Trust. The memorial will commemorate the national tragedy ingrained in all of our minds that occurred in downtown Oklahoma City at 9:02 a.m. on April 19, 1995, in which 168 Americans lost their lives and countless thousands more lost family members and friends.

The Oklahoma City National Memorial will serve as a monument to those whose lives were taken and others who will bear the physical and mental scars for the rest of their days. The memorial will stand as a symbol to the hope, generosity, and courage shown by Oklahomans and fellow Americans across the country following the Oklahoma City bombing. This will be a place of remembrance, peace, spirituality, comfort, and learning.

Under this legislation, the National Park Service Memorial site will encompass the footprint of the Alfred P. Murrah Federal Building, 5th Street between Robinson and Harvey, the site of the Water Resources Building, and the Journal Record Building. An international competition was held to determine the design of the Oklahoma City National Memorial, and the winning design was announced on Tuesday, July 1. I commend the Oklahoma City Memorial Foundation for an excellent selection of the winning design.

In addition to designating the memorial site as a unit of the National Park Service, this bill also establishes a wholly owned government corporation to be known as the Oklahoma City National Memorial Trust. The trust, consisting of a chairman and an eight-member board, will be charged with administering the operation, maintenance, management, and interpretation of the memorial site.

Further, the legislation authorizes a one-time $5 million Federal donation for construction and maintenance of the memorial. The Federal appropriation will be matched by $5 million from the Oklahoma State Legislature and $14 million in private donations.

While the thousands of family members and friends of those killed in the bombing will forever bear scars of having their loved ones taken away, the Oklahoma City National Memorial will revere the memory of the survivors and those lost, and venerate the bonds that drew us all closer together as a result.

Mr. President, while it is impossible to recognize everyone whose hard work and effort made this memorial possible, I will submit for the RECORD a list of individuals who formed the core of the memorial design foundation. In addition, I would like to extend particular appreciation to Gov. Frank Keating; Oklahoma City mayor, Ron Norick; Mr. Bob Johnson, director of the Oklahoma City Memorial Foundation charged with selecting the design for the Memorial; Vice Chairman Karen Luke; Mr. Tom McDaniel; Mrs. Polly Nichols; Mr. Don Ferrell; and Mr. Richard Williams. Our country is proud of you, and I am confident our country will be proud of the Oklahoma City National Memorial.

I ask unanimous consent that the list of individuals who formed the core of the memorial design foundation be printed in the RECORD.

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

OKLAHOMA CITY MEMORIAL BOARD OF DIRECTORS

Ann Alspaugh; Anita Arnold; Clark Bailey; Dr. Edward Brandt; Ron Bradshaw; Terry Childers; John Cole; Richard Denman; Tiana Douglas; Jeanette Gamba; Gerald L. Gamble; Dr. Kay Goebel; Kathi Goebel; Kevin Gotshall; Jean Gumerson; Frank D. Hill; LeAnn Jenkins; Kirk Jewell; Robert M. Johnson; Doris Jones; Kim Jones-Shelton; Jackie L. Jones; Barbara Kerrick; Linda Lambert; Sam Armstrong-Lopez; Karen Luke; Deborah Ferrell-Lynn; Thomas J. McDaniel; Sunni Mercer; Leslie Nance; Polly Nichols; Tim O'Connor; Dr. Betty Pfefferbaum; H.E. (Gene) Rainbolt; John Rex; Florence Rogers; Chris Salyer; Lee Allan Smith; Phyllis Stough; Zach D. Taylor; Phillip Thompson; Toby Thompson; Beth Tolbert; Tom Toperzer, III; Kathleen Treanor; Be V Tu; Cheryl Vaught; Bud Welch; G. Rainey Williams; Richard Williams; Kathy Wyche; Sydney W. Dobson.

Mr. NICKLES. Mr. President, I am also proud to be joined by my colleague and friend in the Senate, Senator INHOFE.

Mr. INHOFE. I thank the senior Senator from Oklahoma.

Mr. President, I am pleased to join Senator NICKLES in support of S. 871, the Oklahoma City National Memorial Act of 1997. I think it is a compassionate piece of legislation that deserves and will receive support for immediate passage.

I thank, not just my colleague, Senator NICKLES, for being the driving force behind this, but also express my appreciation to my colleagues on the Energy and Natural Resources Committee for acting so quickly to bring this matter before us.

Mr. President, it is very easy for us to stand here and for people who were not out there at the time to be compassionate, to be sensitive to the needs of Oklahoma. But I can tell you, after having been there when it happened, it is indescribable when you go through a building that has parts of human bodies stuck to the walls and you see things that are crumbling.

My son is an orthopedic surgeon. One of his partners actually had to go in during this thing and amputate a lady's leg, with no anesthetic, to extract her from that.

Good friends, my closest friends, Don and Sally Ferrell lost their daughter. She was an attorney for HUD. Polly Nichols was not even in the building and came within a quarter of an inch of dying from flying glass.

This is an opportunity for us to say to these people how much we love them. The 168 individuals who were killed during this cowardly attack and those who were fortunate to survive deserve our honor and respect. It is a fitting memorial that has been designed to honor not just the individuals who lost their lives, but the families of those who lost their lives and those who are survivors.

Beyond the immediate victims of the bombing, we also recognize law enforcement officers and emergency people. I can remember on the first night, as I was walking toward the building, hearing this thundering cadence behind me. I turned to see several hundred firemen, all dressed up with their emergency equipment. They were not just from Oklahoma; they were from all over America, from as far away as right here, from Maryland. They were going in there, each one of them taking 30-minute spells. They were volunteers. They did not have to do this. They went in knowing they could very well lose their lives crawling through the rubble of a building still crumbling to save lives.

So there are many, many heroes in this thing. And this is certainly a fitting tribute.

I can only say, on behalf of all Oklahomans, we thank you for your generosity, your promptness, and your compassion.

Mr. MURKOWSKI. Mr. President, with the passage of this legislation we are embarking on a new road. We will establish a new park area operated by the private sector rather than the traditional park operated by park service personnel that we are accustomed to visiting.

Upon visiting the Oklahoma City National Memorial you will still observe the traditional park ranger in his flat hat, but behind the scenes things will be a little different.

The legislation establishes a trust composed of civic leaders who will manage the park in accordance with Park Service standards, rules and regulations. I anticipate these leaders will maintain and operate the facilities at this memorial at the highest standard ever achieved by any NPS unit.

I do not believe we will ever have to revisit this issue in the appropriations process. I expect the leaders of the trust will maintain their facilities with proper preventative maintenance programs so America's investment will be more than properly protected without the deferred maintenance programs which currently plague the NPS and the Congress.

I expect that the programs and operations at the memorial will be above and beyond anything we have ever experienced in a park unit to date.

Is this road risky ? The answer is yes. We are now facing $8.6 billion in unfunded NPS programs. The private sector has the answers, and it may teach us a few lessons on how to avoid the situation that we are currently facing in the National Park Service.

The passage of this legislation will begin to show us how to achieve a National Park Service unit that will be a model for the future.

In the absence of a report, that will follow shortly, I have included information in my statement for the benefit of my colleagues that explains the background and the provisions of the legislation.

BACKGROUND

One hundred and sixty-eight Americans lost their lives and many more were injured on April 19, 1995, when a bomb was detonated at the Alfred P. Murrah Federal Building in Oklahoma City, OK. This tragedy constitutes the worst terrorist incident in American history.

This legislation would create a memorial at the site of the Murrah Federal Building in Oklahoma City on 5th Street, between Robinson and Harvey Streets, and would also include the sites of the Water Resources Building and the Journal RECORD Building.

Concepts for the Memorial were solicited through a design competition. We received 624 design submissions from 50 States and 23 foreign countries. The design selected was created by Hans-Ekkehard Butzer, Torrey Butzer and Sven Berg, a German-based design team. The design includes 168 chairs in the Murrah Building footprint, a water element designed to reflect a spirit of change, a survivor tree, envisioned to reflect hope, and ''gates of time'' on each end of Fifth Street that focus the visitor's attention on memorial inscriptions and the other elements of the Memorial. Torrey Butzer of the German team states, ''We watched Oklahomans and the world respond to this tragedy from afar. This is our way of giving something to honor the Victims, survivors and the heros. This design will tell the story of all of us changed forever.''

The Memorial established by this Act would serve not only as a monument to those who died and were injured in the bombing on April 19, but as a symbol of the courage and goodwill shown by local citizens and Americans across the country following the incident. The Oklahoma City National Memorial will be designated a unit of the National Park Service. It will be placed under the charge of a wholly-owned government corporation, to be known as the Oklahoma City National Trust (Trust). The Trust will be governed by a nine-member Board of Directors (Board) which will have the authority to appoint an executive director and other key staff. Interim staff are authorized for 2 years to assist in the development of the Memorial. Permanent National Park service staff and the ability to retain staff from other Federal agencies are also provided by this measure on a reimbursable basis.

The act authorizes $5 million of Federal funds for construction and maintenance, but stipulates that any Federal expenditures must be matched by non-Federal funds, dollar for dollar. It is expected that matching funding sources will include the Oklahoma State legislature and private donations.

LEGISLATIVE HISTORY

S. 871 was introduced by Senator NICKLES and Senator INHOFE on June 12, 1997 and was referred to the Senate Committee on Energy and Natural Resources. The Subcommittee on National Parks, Historic Preservation and Recreation held a field hearing on the bill in Oklahoma City on July 3, 1997. An additional hearing was held by the Subcommittee in Washington on July 17, 1997.

SECTION BY SECTION ANALYSIS

Section 4(a) establishes the Oklahoma City National Memorial (Memorial) and further establishes the Memorial as a unit of the National Park Service.

Section 4(b) directs that the lands, facilities and structures of the memorial shall be depicted upon an official map and that the official map shall be on file and available for inspection in the appropriate offices of the National Park Service and Oklahoma City Memorial Trust (Trust). The Section also allows minor boundary adjustments as necessary with publication of such adjustments by drawing or description within the Federal Register.

Section 5(a) establishes a wholly-owned government corporation to be known as the Oklahoma City National Memorial Trust.

Section 5(b)(l) directs that there will exist a Board of Directors (Board) for the Trust consisting of 9 members. The Section directs that the Board shall consist of the Secretary of the Interior (Secretary) or his designee and 8 additional members appointed by the President, but selected from lists of nominees submitted by the Governor of Oklahoma, the Mayor of Oklahoma City and the Oklahoma delegations from the United States House of Representatives and Senate. This section also directs that the President appoint the Board within 90 days of passage of this Act.

Section 5(b)(2) sets the terms of Board members at 4 years and limits consecutive terms to 8 years. The section also stipulates that in the first series of appointments, two members will serve for only 2 years and two initial members will serve a term of 3 years.

Section 5(b)(3) directs that 5 members shall constitute a quorum for purposes of conducting Board business.

Section 5(b)(4) directs that the Board shall organize itself in a manner it deems most appropriate and that members shall not receive compensation, but may be reimbursed for actual and necessary travel and subsistence associated with Trust duties.

Section 5(b)(5) establishes that Board members will not be considered federal employees except for purposes of the Federal Tort Claims Act, the Ethics in Government Act and provisions of Titles 11 and 18 of the United States Code.

Section 5(b)(6) directs the Board to meet at least 3 times per year in Oklahoma City, with at least two of those meetings open to the public. The Section also allows the Board to hold additional meetings and the authority to determine if those meetings are open or closed to the public by majority vote. The Section also authorizes the Board the ability to establish procedures for providing public information and soliciting public comment regarding operations, maintenance and management of the Memorial as well as input on policy, planning and design issues.

Section 5(b)(7) authorizes the Trust to appoint and fix compensation and duties of an executive director of the Memorial and other officers it deems necessary without regard to provisions of Title 5 of the United States Code. The Section also authorizes the Secretary of the Interior (at the request of the Trust) to provide interim employees as necessary for appointments not to exceed 2 years; to provide uniformed personnel on a reimbursable basis to carry out day to day duties; and at the request of the Trust, the Director of any other federal agency may provide personnel on a reimbursable basis to carry out day to day visitor services programs.

Section 5(b)(8) establishes that the Trust shall have all powers necessary and proper to exercise the authorities vested in it.

Section 5(b)(9) establishes that the Trust and all properties administered by the Trust shall be exempt from all city, state and local taxes.

Section 5(b)(10) establishes that the Trust shall be treated as a wholly-owned government corporation, subject to 31 U.S.C. Government Corporations Act and that Trust financial statements shall be audited annually. The Section also directs the Trust to submit a comprehensive report of operations, activities and accomplishments for the prior fiscal year to the Senate Committee on Energy and Natural Resources and the House Committee on Resources—as well as a report, in general terms, of goals for the current fiscal year.

Section 6(a) directs that the Trust shall administer the operation, maintenance, management and interpretation of the Memorial, including, but not limited to leasing, rehabilitation, repair and improvement of Memorial property in accordance with existing Federal law including: provisions of law generally applicable to the National Park Service (16 U.S.C. 1, 2–4); 49 Stat. 666; the general objectives set forth in the ''Memorial Mission Statement'', adopted March 26, 1996 and the Oklahoma Memorial Foundation Intergovernmental Letter of Understanding, dated, October 28, 1996.

Section 6(b)(1) authorizes the Trust to participate in the development of programs and activities at the Memorial and to negotiate and enter into agreements, leases, and contracts with persons, firms, organizations including Federal, State, and local government entities, as necessary to carry out its authorized activities. Such agreements may be entered into without regard to Section 301, 40 U.S.C. 303(b).

Section 6(b)(2) directs the Trust to establish procedures for lease agreements for use and occupancy of Memorial facilities, including a requirement that in entering such agreements, the Trust shall obtain reasonable competition.

Section 6(b)(3) prohibits the Trust from disposing of or reconveying title to any real property transferred to the Trust under this Act.

Section 6(b)(4) directs that Federal laws and regulations governing procurement shall not apply to the Trust with the exception of those related to Federal contracts governing working conditions and any applicable civil rights provisions which are otherwise applicable.

Section 6(b)(5) directs the Trust, in consultation with the Administrator of Federal Procurement Policy to establish and promulgate procedures enabling the Trust's procurement of goods and services, including, but not limited to the award of contracts on the basis of price, reasonable buying practices, competition and qualifications.

Section 6(c) directs that the Trust shall, within one year of passage of the Act, develop in consultation with the Secretary, a comprehensive program for management of those lands, operations, and facilities associated with the Memorial.

Section 6(d) authorizes the Trust to solicit and accept donations for the purposes of carrying out its duties.

Section 6(e) authorizes that all proceeds received by the Trust may be retained and used by the Trust without further appropriation for uses in the administration, operation, preservation, restoration, maintenance, repair and improvement of the Memorial, and that the Secretary of the Treasury, at the request of the Trust, shall invest excess monies in public debt securities.

Section 6(f) establishes that the trust may sue and be sued to the same extent as the Federal Government and that litigation shall be conducted by the Attorney General, with the provision that the trust may retain private attorneys for advice and council and that the District Court of the Western District of Oklahoma shall have exclusive jurisdiction over suits filed against the Trust.

Section 6(g) authorizes the Trust to adopt, amend, repeal and enforce bylaws, rules and regulations governing the way it conducts its business and the way by which its powers may be exercised. The Section also authorizes the Trust, in consultation with the Secretary to adopt and enforce those National Park Service regulations necessary and appropriate to carry out its duties and requires that the Trust shall give notice of its adoption of any such rules or regulations through the Federal Register.

Section 6(h) directs the trust to require any contractors or leaseholders to procure insurance, as is reasonable and customary, against any loss connected with properties under lease or contract or from related activities.

Section 7 authorizes $5 million for the furtherance of the Act and stipulates that expenditure of any federally appropriated money must be matched, one to one, with non-Federal monies and that donated monies will be construed, for purposes of this Section, as non-Federal matching monies.

Section 8 establishes that prior to the construction of the Memorial, the General Services Administration shall exchange, sell, lease, donate or otherwise dispose of the Alfred P. Murrah Federal Building to the Trust and that such transfer shall not be subject to the Public Building Act of 1959; the Federal Property and Administration Services Act of 1949 or any other Federal law establishing requirements or procedures for the disposal of Federal property.

Section 9 directs that 6 years after the first meeting of the Board, the General Accounting Office will conduct an interim study on the activities of the Trust (and how it is meeting its obligations under this Act), and report the results of that study to the Senate Committee on Energy and Natural Resources and to the Senate Committee on Appropriations along with the House Committee on Resources and the Committee on Appropriations of the House of Representatives.

Costs—S. 871 authorizes a one-time $5,000,000 appropiation for the development and construction of the Memorial.

Mr. President, this act of terrorism horrified all Americans. It must never be forgotten. May the victims of this tragedy rest in peace, may the survivors be comforted and may such an evil act never be perpetrated upon innocent men, women, and children again.

The PRESIDING OFFICER (Mr. SMITH of Oregon). Is there further debate on the bill? If not, the question is 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 bill (S. 871) was passed, as follows:

S. 871

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE

This Act may be cited as the "Oklahoma City National Memorial Act of 1997".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) Few events in the past quarter-century have rocked Americans' perception of themselves and their institutions, and brought together the people of our nation with greater intensity than the April 19, 1995, bombing of the Alfred P. Murrah Federal Building in downtown Oklahoma City;

(2) the resulting deaths of 168 people, some of whom were children, immediately touched thousands of family members whose lives will forever bear scars of having those precious to them taken away so brutally;

(3) suffering with such families are countless survivors, including children, who struggle not only with the suffering around them, but their own physical and emotional injuries and with shaping a life beyond April 19;

(4) such losses and struggles are personal and, since they resulted from so public an attack, they are also shared with a community, a nation, and the world;

(5) the story of the bombing does not stop with the attack itself or with the many losses it caused. The responses of Oklahoma's public servants and private citizens, and those from throughout the nation, remain as a testament to the sense of unity, compassion, even heroism, that characterized the rescue and recovery following the bombing;

(6) During the days immediately following the Oklahoma City bombing, Americans and people from around the world of all races, political philosophies, religions and walks of life responded with unprecedented solidarity and selflessness; and

(7) Given the national and international impact and reaction, the federal character of the site of the bombing, and the significant percentage of the victims and survivors who were federal employees the Oklahoma City Memorial will be established, designed, managed and maintained to educate present and future generations, through an public/private partnership, to work together efficiently and respectfully in developing a National Memorial relating to all aspects of the April 19, 1995, bombing in Oklahoma City.

SEC. 3. DEFINITIONS.

In this Act:

(1) MEMORIAL.—The term "memorial" means the Oklahoma City National Memorial designated under section 4(a).

(2) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

(3) TRUST.—The term "trust" means the Oklahoma City National Memorial Trust designated under section 5(a).

SEC. 4. OKLAHOMA CITY NATIONAL MEMORIAL.

(a) ESTABLISHMENT.—In order to preserve for the benefit and inspiration of the people of the United States and the World, as a National Memorial certain lands located in Oklahoma City, Oklahoma, there is established as a unit of the National Park System the Oklahoma City National Memorial.

(b) The memorial area shall be comprised of the lands, facilities and structures generally depicted on the map entitled "Oklahoma City National Memorial", numbered OCNM 001, and dated May 1997 (hereinafter referred to in this Act as the "map").

(1) Such map shall be on file and available for public inspection in the appropriate offices of the National Park Service and the Trust.

(2) After advising the Committee on Energy and Natural Resources of the Senate and the Committee on Resources of the House of Representatives, in writing, the Trust, as established by section 5 of this Act, may take minor revisions of the boundaries of the memorial when necessary by publication of a revised drawing or other boundary description in the Federal Register.

SEC. 5. OKLAHOMA CITY NATIONAL MEMORIAL TRUST.

(a) ESTABLISHMENT.—There is established a wholly owned government corporation to be known as the Oklahoma City National Memorial Trust.

(b) BOARD OF DIRECTORS.—

(1) IN GENERAL.—The powers and management of the Trust shall be vested in a Board of Directors (hereinafter referred to as the "Board") consisting of the following 9 members:

(A) The Secretary or the Secretary's designee.

(B) 8 individuals, appointed by the President, from a list of recommendations submitted by the Governor of the State of Oklahoma; and a list of recommendations submitted by the Mayor of Oklahoma City, Oklahoma; and a list of recommendations submitted by the United States Senators from Oklahoma; and a list of recommendations submitted by United States Representatives from Oklahoma. The President shall make the appointments referred to in this subparagraph within 90 days after the enactment of this Act.

(2) TERMS.—Members of the Board appointed under paragraph (1)(B) shall each serve for a term of 4 years, except that of the members first appointed, 2 shall serve for a term of 3 years, and 2 shall serve a term of 2 years. Any vacancy in the Board shall be filled in the same manner in which the original appointment was made, and any member appointed to fill a vacancy shall serve for the remainder of that term for which his or her predecessor was appointed. No appointed member may serve more than 8 years in consecutive terms.

(3) QUORUM.—Five members of the Board shall constitute a quorum for the conduct of business by the Board.

(4) ORGANIZATION AND COMPENSATION.—The Board shall organize itself in such a manner as it deems most appropriate to effectively carry out the authorized activities of the Trust. Board members shall serve without pay, but may be reimbursed for the actual and necessary travel and subsistence expenses incurred by them in the performance of the duties of the Trust.

(5) LIABILITY OF DIRECTORS.—Members of the Board of Directors shall not be considered Federal employees by virtue of their membership on the Board, except for purposes of the Federal Tort Claims Act and the

Ethics in Government Act, and the provisions of chapter 11 of title 18, United States Code.

(6) MEETINGS.—The Board shall meet at least three times per year in Oklahoma City, Oklahoma and at least two of those meetings shall be opened to the public. Upon a majority vote, the Board may close any other meetings to the public. The Board shall establish procedures for providing public information and opportunities for public comment regarding operations maintenance and management of the Memorial; as well as, policy, planning and design issues.

(7) STAFF.—

(A) NON-NATIONAL PARK SERVICE STAFF.—The Trust is authorized to appoint and fix the compensation and duties of an executive director and such other officers and employees as it deems necessary without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may pay them without regard to the provisions of chapter 51, and subchapter III of chapter 53, title 5, United States Code, relating to classification and General Schedule pay rates.

(B) INTERIM PARK SERVICE STAFF.—At the request of the Trust, the Secretary shall provide for a period not to exceed 2 years, such personnel and technical expertise, as necessary, to provide assistance in the implementation of the provisions of this Act.

(C) PARK SERVICE STAFF.—At the request of the Trust, the Secretary shall provide such uniform personnel, on a reimbursable basis, to carry out day to day visitor service programs.

(D) OTHER FEDERAL EMPLOYEES.—At the request of the Trust, the Director of any other Federal agency may provide such personnel, on a reimbursable basis, to carry out day to day visitor service programs.

(8) NECESSARY POWERS.—The Trust shall have all necessary and proper powers for the exercise of the authorities vested in it.

(9) TAXES.—The Trust and all properties administered by the Trust shall be exempt from all taxes and special assessments of every kind by the State of Oklahoma, and its political subdivisions including the County of Oklahoma and the City of Oklahoma City.

(10) GOVERNMENT CORPORATION.—

(A) The Trust shall be treated as a wholly owned Government corporation subject to chapter 91 of title 31, United States Code (commonly referred to as the Government Corporation Control Act). Financial statements of the Trust shall be audited annually in accordance with section 9105 of title 31 of the United States Code.

(B) At the end of each calendar year, the Trust shall submit to the Committee on Energy and Natural Resources of the United States Senate and the Committee on Resources of the House of Representatives a comprehensive and detailed report of its operations, activities, and accomplishments for the prior fiscal year. The report also shall include a section that describes in general terms the Trust's goals for the current fiscal year.

SEC. 6. DUTIES AND AUTHORITIES OF THE TRUST.

(a) OVERALL REQUIREMENTS OF THE TRUST.—The Trust shall administer the operation, maintenance, management and interpretation of the Memorial including, but not limited to, leasing, rehabilitation, repair and improvement of property within the Memorial under its administrative jurisdiction using the authorities provided in this section, which shall be exercised in accordance with—

(1) the provisions of law generally applicable to units of the National Park Service, including: ''An Act to establish a National Park Service, and for other purposes'' approved August 25, 1916 (39 Stat. 535; 16 U.S.C. 1, 2–4);

(2) the Act of August 21, 1935 (49 Stat. 666: U.S.C. 461–467);

(3) the general objectives of the ''Memorial Mission Statement'', adopted March 26, 1996, by the Oklahoma City Memorial Foundation; and

(4) the ''Oklahoma Memorial Foundation Intergovernmental Letter of Understanding'', dated, October 28, 1996.

(b) AUTHORITIES.—

(1) The Trust may participate in the development of programs and activities at the properties designated by the map, and the Trust shall have the authority to negotiate and enter into such agreements, leases, contracts and other arrangements with any person, firm, association, organization, corporation or governmental entity, including, without limitation, entities of Federal, State and local governments as are necessary and appropriate to carry out its authorized activities. Any such agreements may be entered into without regard to section 321 of the Act of June 30, 1932 (40 U.S.C. 303b).

(2) The Trust shall establish procedures for lease agreements and other agreements for use and occupancy of Memorial facilities, including a requirement that in entering into such agreements the Trust shall obtain reasonable competition.

(3) The Trust may not dispose of or convey fee title to any real property transferred to it under this Act.

(4) Federal laws and regulations governing procurement by Federal Agencies shall not apply to the Trust, with the exception of laws and regulations related to Federal government contracts governing working conditions, and any civil rights provisions otherwise applicable thereto.

(5) The Trust, in consultation with the Administrator of Federal Procurement Policy, shall establish and promulgate procedures applicable to the Trust's procurement of goods and services including, but not limited to, the award of contracts on the basis of contractor qualifications, price, commercially reasonable buying practices, and reasonable competition.

(c) MANAGEMENT PROGRAM.—Within one year after the enactment of this Act, the Trust, in consultation with the Secretary, shall develop a comprehensive program for management of those lands, operations and facilities within the Memorial established by this Act.

(d) DONATIONS.—The Trust may solicit and accept donations of funds, property, supplies, or services from individuals, foundations, corporations, and other private or public entities for the purposes of carrying out its duties.

(e) PROCEEDS.—Notwithstanding section 1341 of title 31 of the United States Code, all proceeds received by the Trust shall be retained by the Trust, and such proceeds shall be available, without further appropriation, for the administration, operation, preservation, restoration, operation and maintenance, improvement, repair and related expenses incurred with respect to Memorial properties under its administrative jurisdiction. The Secretary of the Treasury, at the option of the Trust shall invest excess monies of the Trust in public debt securities which shall bear interest at rates determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturity.

(f) SUITS.—The Trust may sue and be sued in its own name to the same extent as the Federal Government. Litigation arising out of the activities of the Trust shall be conducted by the Attorney General; except that the Trust may retain private attorneys to provide advice and council. The District Court for the Western District of Oklahoma shall have exclusive jurisdiction over any suit filed against the Trust.

(g) BYLAWS, RULES AND REGULATIONS.—The Trust may adopt, amend, repeal, and enforce bylaws, rules and regulations governing the manner in which its business may be conducted and the powers vested in it may be exercised. The Trust is authorized, in consultation with the Secretary, to adopt and to enforce those rules and regulations that are applicable to the operation of the National Park System and that may be necessary and appropriate to carry out its duties and responsibilities under this Act. The Trust shall give notice of the adoption of such rules and regulations by publication in the Federal Register.

(h) INSURANCE.—The Trust shall require that all leaseholders and contractors procure proper insurance against any loss in connection with properties under lease or contract, or the authorized activities granted in such lease or contract, as is reasonable and customary.

SEC. 7. LIMITATIONS ON FUNDING.

(a) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—In furtherance of the purposes of this Act, there is hereby authorized the sum of $5,000,000 to remain available until expended.

(2) MATCHING REQUIREMENT.—Amounts appropriated in any fiscal year to carry out the provisions of this Act may only be expended on a matching basis in a ratio of at least one non-Federal dollar to every Federal dollar. For the purposes of this provision, each non-Federal dollar donated to the Trust or to the Oklahoma City Memorial Foundation for the creation, maintenance, or operation of the Memorial shall satisfy the matching dollar requirement without regard to the fiscal year in which such donation is made.

SEC. 8. ALFRED P. MURRAH FEDERAL BUILDING

(a) Prior to the construction of the memorial the Administrator of the General Services Administration shall, among other actions, exchange, sell, lease, donate, or otherwise dispose of the site of the Alfred P. Murrah Federal Building, or a portion thereof, to the Trust. Any such disposal shall not be subject to—

(1) the Public Buildings Act of 1959 (40 U.S.C. 601 et seq.);

(2) the Federal Property and Administrative Services Act of 1949 (40 U.S.C. et seq.); or

(3) any other Federal law establishing requirements or procedures for the disposal of Federal property.

SEC. 9. GENERAL ACCOUNTING OFFICE STUDY.

(a) Six years after the first meeting of the Board of Directors of the Trust, the General Accounting Office shall conduct an interim study of the activities of the Trust and shall report the results of the study to the Committee on Energy and Natural Resources and the Committee on Appropriations of the United States Senate, and the Committee on Resources and Committee on Appropriations of the House of Representatives. The study shall include, but shall not be limited to, details of how the Trust is meeting its obligations under this Act.

Mr. NICKLES. Mr. President, I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. NICKLES. Mr. President, I wish to thank my colleagues for their cooperation, particularly the chairman of the Finance Committee and the Senator from New York for their patience.

I know they have a challenge before them today. I wish to compliment them, incidentally, on the work that they have done in the last 3 months putting both bills together, both the Balanced Budget Act and the Tax Relief Act that we will be passing later today. They worked unbelievable hours. I compliment them for their very fine work. I thank all of my colleagues for their cooperation in allowing us to pass this bill so quickly this morning.

I thank my colleagues, and I yield the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill 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.

TAXPAYER RELIEF ACT OF 1997—CONFERENCE REPORT

The Senate continued with the consideration of the conference report.

Mr. ROTH. Mr. President, I yield such time as he may consume to the junior Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. BENNETT. Thank you, Mr. President.

I thank the Senator from Delaware for his courtesy and consideration in allowing me to take this time. I also congratulate both the Senator from Delaware and the Senator from New York for their ability in crafting this particular piece of legislation.

When I ran for the Senate in 1992, I made tax reform one of my primary goals. I must confess that this bill does not meet all of my expectations and promises as I ran in the campaign, because one of the things that I was most devoted to was a determination to make the Tax Code less complex, easier to understand, and tax returns, perhaps, filed that are the size of a postcard.

This bill does not accomplish that, and I still hold that out as a goal for the future. But if this bill does not make the Tax Code less complex, it at least makes the Tax Code less burdensome —less burdensome for middle Americans, middle-class Americans who have not received a significant tax break for a long, long time. There have been tax breaks at the other ends of the Tax Code, yes, at the bottom end for people who received the earned income tax credit and, some would argue, too much at the top end. But there has not been the kind of middle-class tax relief talked about in the 1992 campaign until this bill.

So while it is not everything that I would want—and there is still much unfinished business to be taken care of in terms of tax simplification—it is a step in the right direction that we should apply. I intend to vote for it enthusiastically and urge all of my colleagues to do the same.

When I came here in January 1993, the atmosphere was completely different than the one we find on the floor today. At that time, there was a determination to see that spending would grow and that taxing would grow. I am delighted to have been able to be a part of an effort that has brought us to a case where spending is going down, at least in percentage terms, and taxes are going down, in terms of the burden that they are placing on the American people.

So I congratulate all connected with this effort, including, yes, Mr. President, the President of the United States. I know it is not common for people on my side of the aisle to stand up and say nice things about this President, and I have said my share of unkind things in areas where I feel he has done things that I think are inappropriate. But as I have said to the President when I have been to the White House on occasions, ''When you are right, Mr. President, I will back you. When I think you are wrong, I will oppose you.'' I owe it to him and to those in his administration who have worked with him on this agreement to publicly acknowledge that this time I think he has been right. I congratulate him and those who work with him for their willingness to do this. I must say that I still had hoped that Senator Dole would be elected President. I think if he had been, we would be here discussing the tax simplification that I believe in as well as some tax reduction. We had our opportunity to make that case in the campaign. For one reason or another, it didn't fly, and it will have to wait for another day. But I congratulate all those who have put partisanship aside and worked together for the good of the people and made a compromise with which perhaps none fully agree, but for which the American people, overall, will ultimately be grateful.

For that reason, Mr. President, I am grateful to the two Senators for allowing me to take this brief time to make these expressions. I conclude as I began, with my congratulations to them and to their colleagues on the Finance Committee, to the leadership of both Houses in both parties, for their ability on the legislative side to work out an agreement with the President and his associates in the executive branch to give us at least this first step in the direction of making the Tax Code less burdensome and less onerous on the American people.

I yield the floor.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. ROTH. Mr. President, I yield myself such time as I may use.

Mr. President, when the 105th Congress began, a promise was made to the American people. They were concerned about Washington's addiction to spending, and the high deficits that were a consequence of that spending. We promised to give them a balanced budget. They were overburdened by rising taxes. They had been shackled with a record-setting increase in 1992, and were paying more to government than they were for their own food, shelter, and clothing. We promised them relief. Our American families were concerned about the education of their children—about the rising costs of post-secondary schools, and their ability to help their children enter our colleges and universities to learn and to prepare for productive futures. We promised to make education more accessible.

Young Americans, just out of school—many of them starting families—were finding it increasingly more difficult to buy a home. As a proportion of their income, they discovered that a mortgage today is twice as much as it was for their parents. Valiant small businessmen and -women were finding it increasingly more difficult to build successful companies. They had lost their home office deductions, the deductibility of their health insurance, and then—when their company, despite these and other challenges, proved successful—they had to fear losing it to death taxes. Again, we promised relief. We promised peace of mind to senior Americans who were worried about Medicare and its future. We promised to provide future generations the opportunity to become more self-sufficient through enhanced individual retirement accounts, and less dependent on government for their support in the years to come. And we promised that we would do something to increase health care coverage for America's children—for America's future.

These, of course, Mr. President, were bold promises. For years, the Republican Party had advocated these measures, but in a city built on promises—the majority of which unfortunately go unfulfilled—it was reasonable that Americans felt that these, too, would remain empty. But today, Mr. President—today, we can say that these promises made, are promises kept.

For the first time since 1969, Americans have a balanced budget—a balanced budget that will be realized within 5 years. For the first time in 16 years, Americans have real and meaningful tax relief. For the first time ever, our families will have tax-free education savings accounts, and for the first time in a decade, we are bringing back the student loan interest deduction. And these, Mr. President, are not our only firsts. We are allowing penalty-free withdrawals from IRA plans to make first-time home purchases.

We are eliminating the capital gains taxes on $500,000 of gain for a couple that sells their home. We are strengthening and preserving Medicare by introducing choice and competition to that program. We are giving States greater flexibility and authority to administer Medicaid, and we are increasing health care coverage for millions of children.

These are all firsts, Mr. President, but there is another first—one that is more philosophic in nature. For the first time since President Johnson's Great Society exploded the size and costs of Federal programs, Americans have a government that is focused on doing more with less.

When historians look at what has been accomplished here these past few months, I believe our work will mark the beginning of a new era—an era which the Republicans have long promised and which President Clinton articulated when he said that the days of big government are behind us.

This budget reconciliation package is a strong first step toward realizing that promise. It is a bipartisan effort—one that could not have been accomplished without a spirit of cooperation between Republicans and Democrats, between the Senate and the House, and between Congress and the President. I'm proud of what we've accomplished. Members in both Houses of Congress, and on both sides of the aisle, have reason to be proud, as does Bill Clinton.

Certainly, there are differences between the parties—those differences can be valuable in the battle of ideas. But this package represents a collective effort, an effort that is a far cry from the acrimony, Government shutdowns and the vetoes that attended past budget debates. I believe our work here demonstrates a coming together on fundamental issues. Taxes have been too high.

They are still too high. In fact, as a percentage of our GNP, they haven't been higher than they are right now since 1960. Government has grown too big, become too inefficient, too overbearing and costly. Too much power has been taken from our people—from our States—and it's been centralized here in Washington.

Yesterday we addressed the changes that will take place in Government programs—especially in entitlements like Medicare and Medicaid. We explained how this reconciliation package will deliver greater flexibility to the States for them to administer Medicaid in a more cost-effective, a more efficient manner.

Today, we focus on the major tax provisions included in our plan, and how those provisions will provide relief for Americans of all ages—for our youth, going away to college, for our young families looking to buy their first home and raise their children, for older families running small businesses and preparing for retirement, and for those Americans who are already retired and looking to find comfort and security on fixed incomes.

This reconciliation package provides relief for all of these. It includes a $500-per-child tax credit for families with children under the age of 17. The credit will be available to the working poor through an enhanced earned income credit. It will cover middle-class families, couples earning up to $110,000 a year. At $110,000 it will begin to phase out. And this tax relief will begin next year with a $400 per child credit in 1998, and the full $500 credit in 1999 and thereafter.

We also provide relief to hard-working, middle-class Americans by enhancing the individual retirement account. We raise the income limits on traditional IRA's and create a new back-loaded IRA. In this back-loaded IRA, the contributions are not tax deductible, but the build-up and withdrawals are tax-free if the account is held for 5 years and the account holder is at least 59½. The income limits for the new back-loaded IRA will be $95,000 for singles and $150,000 for married couples. Our new IRA will allow penalty-free withdrawals for first-time home purchases. Another very important change to the IRA is that we allow homemakers—below certain family income—to save a full $2,000 annually in an account, regardless of their spouse's pension plan.

Mr. President, I have worked for years to strengthen individual retirement accounts for working Americans. These changes will go a long way toward helping Americans prepare for retirement. They will encourage self-reliance and provide incentive for saving.

This is, indeed, an idea whose time has come. It will be a blessing to countless Americans as they prepare for the future. And beyond helping individual families, these expanded IRS's will promote investment, capital formation and economic growth.

Another important provision of this reconciliation package—one that will not only provide tax relief, but will, along with our IRA's, promote investment and jobs, is our capital gains tax cut.

Here, we drop the top rate to 20 percent on investments that are held for at least 18 months. The rate will drop to 18 percent for assets purchased after 2000 and held for at least 5 years. For joint filers with incomes less than $41,200, the top capital gains rate will be 10 percent of assets held for at least 18 months, and 8 percent for assets held for at least 5 years. Our package does away with capital gains taxes on the sale of a home, as long as the home is $500,000 or less for joint filers and $250,000 or less for single filers.

The benefit of capital gains tax relief will be felt not only by our families, but by America at large. According to economist Lawrence Kudlow, in a recent Wall Street Journal editorial,

> The budget's lower capital gains tax rate will help maintain U.S. global economic leadership in the 21st century. This is especially important in relation to the fast-growing economies of the Pacific rim, with China looming not far behind. Most of the Asian tigers have lower tax burdens on capital formation that the U.S.

America, Mr. President, needs this capital gains tax relief. It is long overdue.

However, the tax relief contained in this package does not end here. Families will also benefit by the way that this bill offers relief from the estate tax—the tax that can rob a family of its farm or business when a father or mother passes away.

To help these families, we raise the unified credit to $1,000,000 per estate by 2006; and we provide tax-free treatment for family-owned farms and small businesses for up to $1.3 million. I can't overstate how important this estate tax relief will be to our families and small businesses. In 1995, delegates to a convention on small business survival, ranked killing the estate tax among the top five priorities on a list of 60 recommendations to the President. This is because many small business men and women fear the enterprises they have worked their lives to create won't be around to pass on to their children. The estate tax relief provided in this package offers a strong first step toward allaying that fear and providing families the protection they deserve.

Beyond offering relief for estate taxes, this package also benefits America's small businesses by accelerating the phase in of the self-employed health insurance deduction, raising that deduction all the way to 100 percent, and by clarifying the deductibility of the home office business deduction. These, Mr. President, are important provisions. They will promote economic growth, jobs, and family security. They naturally complement the overarching objective of this legislation to provide immediate tax relief and to create conditions that will prepare America and Americans for a bright and prosperous future.

Just how important this objective is can be seen by the fact that a full 80 percent of the tax relief we offer in this package is directed at the $500 credit for children and provisions that will promote education. These education-related measures will go a long way toward assisting students and their parents in affording the cost of post-secondary education.

They include the Hope scholarship tax credit, a $2,500-per-year student loan interest deduction, and penalty-free withdrawal from IRA's. We can't overstate just how important these measures will be to American families, to America's students, and to our future. I had hoped that we could have gone even further in promoting the educational aspects of this bill. For example, I wanted to maintain a provision that would offer tax-free treatment for State-sponsored prepaid tuition plans, a permanent extension of employer provided education assistance, and a comprehensive education IRA, but in these areas the White House was unwilling to compromise.

And this brings up a point I would like to make—a point I touched upon yesterday. No one received everything they wanted with this package. That, Mr. President, is the nature of compromise. Another lesson we learn from compromise is that it tends to add complexity to the package under consideration.

We learned how when you have three parties involved in the process—the Senate, the House, and the administration—each compromise made in negotiations rendered the final product that much more complex.

Having said this, let me be clear that I am generally pleased by the outcome. Certainly, I could be more pleased. But the bipartisan effort that produced this reconciliation package is something to be appreciated. We accomplished what we set out to do. We provided tax relief for middle-income families; we provided tax relief to promote education; and, we provided tax relief that will stimulate economic growth, opportunity, and jobs.

Let me show just how that relief will affect typical American families. When I first brought the Senate Finance Committee tax relief package to the floor—about 6 weeks ago—I introduced three hypothetical families from Delaware: a single mother named Judy Smith, a farming family—the Wilsons—and a young professional couple, John and Susan Jones. Let me show you how this package—in its final form—will benefit them:

Let's begin with Judy. She has two young children and works as a legal secretary in Wilmington, making $35,000 a year. Currently she pays over $3,000 in Federal income taxes—over $3,000. When President Clinton signs this bill, Judy's taxes will be cut by $800 next year and by $1,000 the year after. Why? Because of the child tax credit. Judy will be able to spend that savings as she wants, or she can put it in an enhanced individual retirement account for her future.

Jim and Julie Wilson, our farming family with three children and an income of $55,000, now pay over $5,500 in Federal income taxes. When President Clinton signs this bill, their taxes will be cut by $1,200 in 1998, and by $1,500 in 1999 and beyond, as they will receive $500 for each child. Julie Wilson will be able to set up a homemaker IRA to save for her retirement. Looking far ahead, if the farm prospers, Jim and Julie will be able to pass it on to their children free of the burden of the estate tax—all because of the middle-income tax relief contained in this bill.

Finally, Mr. President, let's look at John and Susan Jones. They live and work in Dover, DE. College graduates, John is a veterinarian and Susan is a physical therapist. They make $75,000 and have one young child. Under current law, the Jones family pays about $11,500 in Federal income taxes. Because of this legislation, they will receive a $400 tax credit next year, and $500 each year thereafter.

Susan will be able to take the home office business deduction, as her practice is located within their home, and she will be able to accelerate the phase-in of the self-employed health insurance deduction. John and Susan will also be able to deduct a portion of the interest on their student loans, and they'll be able to set up new back-loaded IRA accounts for their retirement.

This is how our work will affect these three families, Mr. President. It will provide relief—much needed relief. As I have said, today the taxes paid by our families are higher as a percentage of GNP than they've been since 1960. This bipartisan tax relief effort will do something about that. It will provide relief as part of a budget reconciliation package that will lead our Nation to a balanced budget in 2002. Having said that, however, I want to add that I consider this only a beginning. Americans not only need tax relief; they need tax reform. They need tax reform that really does simplify the Tax Code.

They need reform that focuses on fairness. They need reform that maintains and promotes strong economic growth—growth that will lead to continued job creation. And they need reform that promotes American exports and our competitiveness in the global economy.

This is what we will turn our attention to next. And it is my hope that the same level of cooperation that sustained us in this debate will attend us as we move from tax relief to tax reform. I appreciate my colleagues on both sides of the aisle who have been active, involved, and given to a spirit of willingness throughout this process. I am particularly grateful to Senator MOYNIHAN—my friend and a thoughtful, well-esteemed leader.

And again, Mr. President—as I did yesterday—I thank the professional, capable staff of the Senate Finance Committee for their countless hours and lost sleep. This was, indeed, a heroic effort.

I yield the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER (Mr. BURNS). The Senator from New York.

Mr. MOYNIHAN. Mr. President, I have the honor now to respond to my revered chairman, who brought this extraordinary legislation to the floor and in a very few hours from now will see it sent to the President to become law.

By day's end, the U.S. Senate will have voted overwhelmingly to reduce Federal taxes by a net total of $95 billion over 5 years and $275 billion over 10 years. Whatever one's view of this legislation as a matter of tax policy, there can be absolutely no doubt that without the dominant influence of the chairman of the Committee on Finance, we would not be here today. Absent Senator ROTH, we would not be here today. This conference agreement is a singular achievement for him, and we congratulate him.

Among other provisions in the legislation, the Roth IRA will soon be as well-known as the Pell grant. It is a fitting tribute to Senator ROTH's long, persistent, indomitable commitment to encourage savings by Americans.

For those interested, this is in section 302, Individual Retirement Accounts, section 408(a), Roth IRAs. It is there in what I think others across the park in the Supreme Court call black letter law. There, sir, it is.

There is another aspect of this legislation which has not been commented on and, I hope, might be. Without perhaps entirely intending it, and not quite in the mode of how others have done it, after a half century of discussion, we are, in fact, establishing a children's allowance in our social policies.

I have had occasion to write about this over the years. We are the only industrial democracy in the world that does not have a children's allowance—just a routine thing, a feature of social policy that goes back to the beginnings of the century. It had various motivations in Sweden. There was a time when the Swedes thought they were dying out as a race and needed to encourage more children. So they gave family allowances. Sometimes called a family allowance. The French much the same. In places like Canada, just a good social policy.

During World War II, the late Senator Neuberger was working on the Alaska-Canada highway—ALCAN highway, as we knew it in those days—and interested in what the Canadians were doing, came upon the family allowance, the children's allowance, and introduced legislation when he became Senator after the war. And John F. Kennedy was much interested in this and cosponsored the legislation. And I can say from the days of the early Kennedy administration there was an active interest in this possibility—the elemental proposition that if you have children, it is going to cost money, and a family raising children needs a little support. We are giving it. Instead of a direct grant, we are providing a direct tax credit. The end result will be the same, and a rather extraordinary bit of social policy is before us which has never been debated as such, but as I get on in years I begin to think the more you debate social policy, the less social policy you get, and so we could perhaps count our blessings in this regard.

But now my friend from Delaware has heard his ranking member say on many occasions that if it were up to this Senator, we would have no tax cuts at this time, given the extraordinary condition of our economy just now, a condition for which many believe the deficit reduction law enacted in 1993, OBRA 1993, is largely responsible.

I continue to be concerned about whether cutting taxes might undo the astonishing progress we have made over the last 4 years, because OBRA 93 took hold when we did it. It was, indeed, the largest tax increase in history, and it has produced extraordinary increases in wealth in our Nation because it sent a signal to the economy that this Government was going to get hold of its financing, pay its bills in sound dollars, not monetize the debt, as the phrase is among economists, inflate the currency and get rid of your debt in that mode. Those are profoundly important signals to the markets, and we have seen, I believe, the result.

The deficit for fiscal year 1992 was $290 billion and growing. It was strangling us. We had no prospect whatever of getting out of it. What earlier on, President Reagan's Director of OMB, David Stockman, had said, $100 billion deficits as far as the eye can see, had become $300 billion deficits as far as the eye could see. And we turned it around. We stopped it.

As a result of this aggressive deficit reduction program put in place by a Democratic Congress in 1993, the deficit for the current fiscal year could be less than $30 billion, which is about one-third of 1 percent of gross domestic product, a matter of no consequence in the large sphere of things. The Federal budget is on the verge of balance at this very moment and for the first time in three decades, and it would get there without any changes in law. I would estimate that we might have a balanced budget in the fourth quarter of the next fiscal year, a year from now. We would have it without change in law. Now we are putting the date off until the year 2002. I hope that does not become a fateful mistake. I am not here to alarm anyone, but I think it needs to be said for the record if the time comes when we have to make changes. Given the previous success of our action 4 years ago, we may come to regret what we have done today, but there is not a majority for that view. There is a very small minority for that view. The congressional leadership and the President have agreed that there will be tax cuts this year, and so, given that reality, I joined with the other Democratic members of the Finance Committee in working with Chairman ROTH in a bipartisan mode.

He has been generous enough to point out, as did earlier in the day the majority leader, that the Finance Committee was unanimous in reporting out the measure that we voted on just an hour ago on spending, and there was an 18 to 2 vote in our Committee on the bill before us now.

Yesterday, Senator DOMENICI, the distinguished chairman of the Budget Committee, said it was the bipartisan solidarity of the Finance Committee which gave the real impetus to getting the budget agreement put in place, and I think that is so and nothing, no further tribute is possible to Senator ROTH for having presided over that event.

It is a phenomenon which I hope, and I know he hopes, we might see in the future. We found that we could do things on a bipartisan basis that could amaze you. We could raise taxes on tobacco. We could provide the largest incremental initiative in health care since Medicare and Medicaid were enacted in 1965—just like that, just in 2 days. Again, perhaps because it was not debated for a year, we were able to get it done in an afternoon. I would like to explore that possibility sometime. Is there an inverse ratio between the amount of debate and the legislation that emerges? I think you have seen some of that in the past many years.

I would take the time of the Senate to point to several measures in the bill which are surely praiseworthy and equally important. One that has not been commented on anywhere that I have seen in the press is that the bill before us removes the present $150 million cap on the issuance of tax-exempt bonds by universities, colleges and nonhospital health facilities. It sounds like an esoteric matter. What could this mean? Well, it goes to something that is as important to American life as anything I know, and it is as characteristic of American democracy as anything I know.

We are the only democratic nation in the world that has a private sector in its higher education—not just a few Jesuit colleges here or every so often a special arrangement in the north of Sweden or the south of France, and so forth. No, our system of higher education began as private denominational matters, and we continue to have just about an equal balance between the great private institutions and the great public institutions. You could go out to California, in the San Francisco Bay area, and you would see it is exemplary of Stanford University, named for a great railroad magnate who gave his money in the name of his son who died prematurely, and Berkeley, the University of California at Berkeley, a great State institution.

Now, we have earlier on enabled the private universities, colleges, and nonmedical health facilities to borrow money on a tax-exempt basis, which puts them partially on an equal footing with the State institutions which obtain money directly from the taxpayers, from tax revenue, and can issue tax-exempt bonds because they are public institutions.

We capped that amount, and more and more of our institutions have reached it. And having done that, they are no longer in a position to build what you could call the capital-intensive science facilities and suchlike facilities that you need in the area of research on the edges of knowledge in this country today. And we are the center of such research. You could hypothesize, if you like, a future where if we did not do what we are doing, there would come a time when the finest law school on the west coast would be at Stanford—law schools are not expensive; you have to add 50 books a year in the library—but all the physics would be done at Berkeley. Physics is expensive. All the chemistry, all the great research in astronomy, the outer edges of the universe to the very core of the Earth itself, all that would be in public institutions. And the competitive urges and the range of variety of the private institutions—the University of Chicago, Rice University, go right down the list of them—that would be lost. The University of Pennsylvania, New York University, Columbia and, as I say, across the Nation, those institutions are precious. There is no reason why Americans should know that the universities and colleges in the United Kingdom are all public institutions, but it is important to know that we are singular in this regard, and this legislation responds to that need. It may just be that no one is interested enough to care, to take note, but I can assure you the universities involved are very attentive and are very pleased.

We also extend for 3 years the provision for exclusion from income of employer-provided educational assistance, which is section 127 of the Internal Revenue Code. This is a wonderfully unintrusive piece of social policy. It is probably the single-most successful tax incentive for education we have. In a world of continuing education, of continuing developments in science and technology, we have arrangements whereby an employer can send an employee to school to learn something special being taught—at night or weekends, whatever—get a degree, bring the skills back into the workplace. They will be paid more money, and they will get more income. We will get more revenue. Everyone wins all around. We in the Finance Committee made this absolutely easy, workable, a successful program. We made it permanent.

For reasons I cannot understand, and I don't think the chairman could possibly understand either, the Finance Committee language, which made it permanent and applied it to graduate school, was dropped in conference. We had legislation in the Senate to do just this, Senator ROTH and I, with 50 cosponsors. What is the matter with people who can't see what elemental good sense this makes? The firm that wants to send a chemist to do postgraduate work in a new field that is just opening up so he can come back and do it in the private sector of the economy is just so elemental. That it was not done is disturbing. Perhaps we will get back to it. I can't imagine why it was not accepted, but we had no success.

The conferees included another salutary measure by extending for 1 year the deductibility, at fair market value, of charitable gifts of appreciated stock to private foundations. Absent this, we would have seen a needless dropoff in charitable giving. And, again, we are trying to encourage the private sector, that private sector of education we try to support, the private sector of employer-provided educational assistance, into giving to private charities.

Now, to another matter of concern—of large concern—just beginning to be noted. I observed in the Washington Post this morning a comment on it, and also in the New York Times.

The Senate-passed bill included a measure written by our chairman and supported by this Senator and others to provide $2.3 billion in critically needed funding for Amtrak, the National Railroad Passenger Corporation, the last hope of rail passenger service in America. The distinguished CEO of the corporation, Mr. Tom Downs, said to me, as he would say to anyone who called and asked, that if he did not get this $2.3 billion, the corporation would be bankrupt in February or March.

I say to you, Mr. President, that's what this period will be remembered for, that we did not do this. We had it in the bill. The Senate voted 80 to 18 for the provision that the chairman provided. And it was dropped. It was dropped owing to a dispute over other matters altogether—job protections and outside contracting by Amtrak. It is provided in this bill that $2.3 billion is there, but it is not available to Amtrak until some very controversial legislation is adopted making job protection and such like matters subject to collective bargaining.

I will be blunt. This could mean the end of Amtrak, the National Railroad Passenger Corporation. Bankruptcy for Amtrak is an outcome we should surely do everything in our power to prevent. It would be a national calamity. I wish to be emphatic in saying that the possibility is now real, and I hope the administration will join in the effort to bring about a resolution.

I was surprised, in the often intense debates of this last week on this matter, that nowhere did we hear from the Secretary of Labor. Nowhere did we hear from the Secretary of Transportation. What do we have Cabinet officers for? I don't mean to be critical of any individual. It occurs to me that they were not invited in. I'll tell you, I was once an assistant to Secretary Arthur J. Goldberg when he was Secretary of Labor during the Kennedy administration. We had rail strikes and soon thereafter, in the Johnson administration, disputes in the steel industry. Arthur J. Goldberg would have been right in the middle of it, seeing that workers were protected and that the public was protected.

This remains to be done. I hope I have sounded an alarm. If I sound alarmist, Mr. President, may I put it in the RECORD that I am and I intend to be alarmist.

Another matter on which we have made an error, in my view, was the hurtful provision revoking the tax-exempt status of the Teachers Insurance and Annuity Association and the College Retirement Equities Fund, known as the TIAA-CREF, a 2-million-member retirement system that serves 6,100 American colleges, universities, teaching hospitals, museums, libraries and other nonprofit educational and research institutions. TIAA was founded by Andrew Carnegie in 1918. It has been tax exempt ever since. It is a nonprofit charity, and properly not taxed.

In 1937 it was incorporated under the laws of the State of New York to ''forward the cause of education and promote the welfare of the teaching profession''—''forward the cause of education and promote the welfare of the teaching profession.'' The law further states that the purpose of TIAA—this is the New York statute—is ''to aid and strengthen non-proprietary and non-profit-making colleges, universities and other institutions engaged primarily in education or research.'' And it has done just that. It has long been recognized as a model of such programs.

As a somewhat unanticipated result, it brought to American higher education portability of pensions. You did not have to start out in one institution and after a certain point stay the rest of your life because you had to have some retirement benefit. It has a great value to our educational system for the simple reason that it enables a young person at, say, a 2-year college or a local college, who shows great promise, does good work, to end up at Chicago or Stanford or Duke, because they can move. This is part of the agility of American higher education. There is no reason to tax this, and the Finance Committee said don't tax it. We never have. The Senate said don't tax it. But somehow or other we have decided to do so.

Revoking TIAA-CREF's 79-year-old tax exemption will cost the average retiree who receives $12,000 a year about $600 in income. You know, librarians are not highly paid. Perhaps that is not widely known. A $12,000 pension would be quite normal. A $600 reduction would be 5 percent right away. Future retirees currently accumulating benefits are likely to face reductions of 10 to 15 percent.

Why make the lives of librarians and assistant professors and teachers in community colleges harder? Why do we do this? Why wasn't this something that people said no to? The Finance Committee said no to it. But we were not successful.

Two closing points. In an era in which the most recent Presidential campaign was captivated—at least sectors of it—by the idea of a flat tax, it deserves pointing out that this 820-page piece of legislation will add hugely to the stupefying complexity and mass of the Internal Revenue Code and its accompanying regulations.

Mr. President, this is not an exercise here in physical therapy. For as long as I can, I would like to hold it up to show it to you. I dare not hold it up any longer. If I should drop it, there would go my right ankle. Did that thump on the desk make itself heard?

In 1986, in the Tax Reform Act of that year, we moved toward the idea of simplicity in the Tax Code by a broader base and lower rates. Just an anecdote, the late beloved Erwin Griswold, sometime dean of the Harvard Law School, sometime Solicitor General of the United States, was a friend. He used to write me each April describing how long it took him to complete his tax returns, which he persisted in preparing himself. Now, mind you, Dean Griswold was perhaps the Nation's foremost authority on the subject of tax law. He almost began the subject. He wrote the first text. He describes himself as being a young attorney, graduate of Harvard Law in the 1920s, in the Solicitor General's office, and some matters concerning taxation came to him. He, as he put it in a wonderful address to the bar association tax section, said, ''I thought of going to the Solicitor General to tell him I didn't know anything about tax law, but I decided to go to the library instead.'' And he wrote the text.

In his last letter to me, dated April 12, 1994, 7 months before he died, he wrote that his 1993 tax return took him almost 100 hours to complete—100 hours for Erwin Griswold to prepare his not very complicated financial affairs. He was a teacher and a lawyer, Government employee, and he knew all these matters—yet it took him 100 hours. It would be 110 were he alive into the next tax season.

Let me say, just as an example, a family with three children, two in college and one under age 17, could be required to calculate the new child tax credit, a Hope scholarship tax credit for one college student, and a separate lifelong learning credit for the older child. Each of these different provisions will have different eligibility rules and complicated income phase-outs that will have to be calculated on different worksheets and reported to the Internal Revenue Service on a variety of forms.

It is no exaggeration, sir—I don't believe it is an exaggeration—to say that anybody who could fill out the forms necessary to qualify for these tax benefits would already be an accountant of advanced experience and achievement and would have no need for the benefits.

I do want to point out that in the statement of the managers accompanying this conference report, it says, ''The conferees anticipate that the Secretary of the Treasury will determine whether a simplified method of calculating the child credit, consistent with the formula described above, can be achieved.'' So there is hope. But I wouldn't hope too much.

President Ronald Reagan, our much-loved President Ronald Reagan, liked to say the Republicans are the party of the Fourth of July and Democrats are the party of April 15th. With the passage of this legislation, I think Democrats can no longer take all the credit for April 15th.

A second and final point. This will be the first-ever tax bill subject to the line-item veto, which gives the President, ''limited authority to cancel specific dollar amounts of discretionary budget authority, certain new direct spending, and limited tax benefits.''

Limited tax benefits are those that provide, a Federal tax deduction, credit, exclusion, or preference to 100 or fewer beneficiaries.

In January of this year, I joined Senators BYRD, LEVIN and former Senator Hatfield in a legal challenge to the line-item veto on grounds that it violates the presentment clause in article

I, section 7, of the Constitution. The U.S. District Court for the District of Columbia agreed and promptly declared the statute unconstitutional.

But later, on June 26, the Justice Department took the matter to the Supreme Court itself, and the Court held that we, as legislators, had no standing to challenge the law, clearing the way for the President to exercise his new authority.

Now, just 2 days ago, on July 29, the Joint Committee on Taxation met to consider the list of limited tax benefits in this bill, a list prepared by the committee staff, that would be subject to the line-item veto. It was the first time we had done this under the new law, and I am pleased to report, upon being presented with the 6-page list totaling 79 separate provisions in this bill subject to the line-item veto, some members of the joint committee began to display a visible lessening of enthusiasm for the concept itself.

I have a list here, Mr. President, and take the liberty of asking unanimous consent that it be printed in the RECORD, so the administration will have an opportunity to look up the items, veto them and then the injured parties can arrive across the park at the Supreme Court with standing and the Constitution will be preserved.

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

TITLE XVII—IDENTIFICATION OF LIMITED TAX BENEFITS SUBJECT TO LINE ITEM VETO

SEC. 1701. IDENTIFICATION OF LIMITED TAX BENEFITS SUBJECT TO LINE ITEM VETO.

Section 1021(a)(3) of the Congressional Budget and Impoundment Control Act of 1974 shall only apply to—

(1) section 101(c) (relating to high risk pools permitted to cover dependents of high risk individuals);

(2) section 222 (relating to limitation on qualified 501(c)(3) bonds other than hospital bonds);

(3) section 224 (relating to contributions of computer technology and equipment for elementary or secondary school purposes);

(4) section 312(a) (relating to treatment of remainder interests for purposes of provision relating to gain on sale of principal residence);

(5) section 501(b) (relating to indexing of alternative valuation of certain farm, etc., real property);

(6) section 504 (relating to extension of treatment of certain rents under section 2032A to lineal descendants);

(7) section 505 (relating to clarification of judicial review of eligibility for extension of time for payment of estate tax);

(8) section 508 (relating to treatment of land subject to qualified conservation easement);

(9) section 511 (relating to expansion of exception from generation-skipping transfer tax for transfers to individuals with deceased parents);

(10) section 601 (relating to the research tax credit);

(11) section 602 (relating to contributions of stock to private foundations);

(12) section 603 (relating to the work opportunity tax credit);

(13) section 604 (relating to orphan drug tax credit);

(14) section 701 (relating to incentives for revitalization of the District of Columbia) to the extent it amends the Internal Revenue Code of 1986 to create sections 1400 and 1400A (relating to tax-exempt economic development bonds);

(15) section 701 (relating to incentives for revitalization of the District of Columbia) to the extent it amends the Internal Revenue Code of 1986 to create section 1400C (relating to first-time homebuyer credit for District of Columbia);

(16) section 801 (relating to incentives for employing long-term family assistance recipients);

(17) section 904(b) (relating to uniform rate of tax on vaccines) as it relates to any vaccine containing pertussis bacteria, extracted or partial cell bacteria, or specific pertussis antigens;

(18) section 904(b) (relating to uniform rate of tax on vaccines) as it relates to any vaccine against measles;

(19) section 904(b) (relating to uniform rate of tax on vaccines) as it relates to any vaccine against mumps;

(20) section 904(b) (relating to uniform rate of tax on vaccines) as it relates to any vaccine against rubella;

(21) section 905 (relating to operators of multiple retail gasoline outlets treated as wholesale distributors for refund purposes);

(22) section 906 (relating to exemption of electric and other clean-fuel motor vehicles from luxury automobile classification);

(23) section 907(a) (relating to rate of tax on liquefied natural gas determined on basis of BTU equivalency with gasoline);

(24) section 907(b) (relating to rate of tax on methanol from natural gas determined on basis of BTU equivalency with gasoline);

(25) section 908 (relating to modification of tax treatment of hard cider);

(26) section 914 (relating to mortgage financing for residences located in disaster areas);

(27) section 962 (relating to assignment of workmen's compensation liability eligible for exclusion relating to personal injury liability assignments);

(28) section 963 (relating to tax-exempt status for certain State worker's compensation act companies);

(29) section 967 (relating to additional advance refunding of certain Virgin Island bonds);

(30) section 968 (relating to nonrecognition of gain on sale of stock to certain farmers' cooperatives);

(31) section 971 (relating to exemption of the incremental cost of a clean fuel vehicle from the limits on depreciation for vehicles);

(32) section 974 (relating to clarification of treatment of certain receivables purchased by cooperative hospital service organizations);

(33) section 975 (relating to deduction in computing adjusted gross income for expenses in connection with service performed by certain officials) with respect to taxable years beginning before 1991;

(34) section 977 (relating to elective carryback of existing carryovers of National Railroad Passenger Corporation);

(35) section 1005(b)(2)(B) (relating to transition rule for instruments described in a ruling request submitted to the Internal Revenue Service on or before June 8, 1997);

(36) section 1005(b)(2)(C) (relating to transition rule for instruments described on or before June 8, 1997, in a public announcement or in a filing with the Securities and Exchange Commission) as it relates to a public announcement;

(37) section 1005(b)(2)(C) (relating to transition rule for instruments described on or before June 8, 1997, in a public announcement or in a filing with the Securities and Exchange Commission) as it relates to a filing with the Securities and Exchange Commission;

(38) section 1011(d)(2)(B) (relating to transition rule for distributions made pursuant to the terms of a tender offer outstanding on May 3, 1995);

(39) section 1011(d)(3) (relating to transition rule for distributions made pursuant to the terms of a tender offer outstanding on September 13, 1995);

(40) section 1012(d)(3)(B) (relating to transition rule for distributions pursuant to an acquisition described in section 355(e)(2)(A)(ii) of the Internal Revenue Code of 1986 described in a ruling request submitted to the Internal Revenue Service on or before April 16, 1997);

(41) section 1012(d)(3)(C) (relating to transition rule for distributions pursuant to an acquisition described in section 355(e)(2)(A)(ii) of the Internal Revenue Code of 1986 described in a public announcement or filing with the Securities and Exchange Commission) as it relates to a public announcement;

(42) section 1012(d)(3)(C) (relating to transition rule for distributions pursuant to an acquisition described in section 355(e)(2)(A)(ii) of the Internal Revenue Code of 1986 described in a public announcement or filing with the Securities and Exchange Commission) as it relates to a filing with the Securities and Exchange Commission;

(43) section 1013(d)(2)(B) (relating to transition rule for distributions or acquisitions after June 8, 1997, described in a ruling request submitted to the Internal Revenue Service submitted on or before June 8, 1997);

(44) section 1013(d)(2)(C) (relating to transition rule for distributions or acquisitions after June 8, 1997, described in a public announcement or filing with the Securities and Exchange Commission on or before June 8, 1997) as it relates to a public announcement;

(45) section 1013(d)(2)(C) (relating to transition rule for distributions or acquisitions after June 8, 1997, described in a public announcement or filing with the Securities and Exchange Commission on or before June 8, 1997) as it relates to a filing with the Securities and Exchange Commission;

(46) section 1014(f)(2)(B) (relating to transition rule for any transaction after June 8, 1997, if such transaction is described in a ruling request submitted to the Internal Revenue Service on or before June 8, 1997);

(47) section 1014(f)(2)(C) (relating to transition rule for any transaction after June 8, 1997, if such transaction is described in a public announcement or filing with the Securities and Exchange Commission on or before June 8, 1997) as it relates to a public announcement;

(48) section 1014(f)(2)(C) (relating to transition rule for any transaction after June 8, 1997, if such transaction is described in a public announcement or filing with the Securities and Exchange Commission on or before June 8, 1997) as it relates to a filing with the Securities and Exchange Commission;

(49) section 1042(b) (relating to special rules for provision terminating certain exceptions from rules relating to exempt organizations which provide commercial-type insurance);

(50) section 1081(a) (relating to termination of suspense accounts for family corporations required to use accrual method of accounting) as it relates to the repeal of Internal Revenue Code section 447(i)(3);

(51) section 1089(b)(3) (relating to reformations);

(52) section 1089(b)(5)(B)(i) (relating to persons under a mental disability;

(53) section 1171 (relating to treatment of computer software as FSC export property);

(54) section 1175 (relating to exemption for active financing income);

(55) section 1204 (relating to travel expenses of certain Federal employees engaged in criminal investigations);

(56) section 1236 (relating to extension of time for filing a request for administrative adjustment);

(57) section 1243 (relating to special rules for administrative adjustment request with respect to bad debts or worthless securities);

(58) section 1251 (relating to clarification of limitation on maximum number of shareholders);

(59) section 1253 (relating to attribution rules applicable to stock ownership);

(60) section 1256 (relating to modification of earnings and profits rules for determining whether REIT has earnings and profits from non-REIT year);

(61) section 1257 (relating to treatment of foreclosure property);

(62) section 1261 (relating to shared appreciation mortgages);

(63) section 1302 (relating to clarification of waiver of certain rights of recovery);

(64) section 1303 (relating to transitional rule under section 2056A);

(65) section 1304 (relating to treatment for estate tax purposes of short-term obligations held by nonresident aliens);

(66) section 1311 (relating to clarification of treatment of survivor annuities under qualified terminable interest rules);

(67) section 1312 (relating to treatment of qualified domestic trust rules of forms of ownership which are not trusts);

(68) section 1313 (relating to opportunity to correct failures under section 2032A);

(69) section 1414 (relating to fermented material from any brewery may be received at a distilled spirits plant);

(70) section 1417 (relating to use of additional ameliorating material in certain wines);

(71) section 1418 (relating to domestically produced beer may be withdrawn free of tax for use of foreign embassies, legations, etc.);

(72) section 1421 (relating to transfer to brewery of beer imported in bulk without payment of tax);

(73) section 1422 (relating to transfer to bonded wine cellars of wine imported in bulk without payment of tax);

(74) section 1506 (relating to clarification of certain rules relating to employee stock ownership plans of S corporations);

(75) section 1507 (relating to modification of 10-percent tax for nondeductible contributions);

(76) section 1523 (relating to repeal of application of unrelated business income tax to ESOPs);

(77) section 1530 (relating to gratuitous transfers for the benefit of employees);

(78) section 1532 (relating to special rules relating to church plans); and

(79) section 1604(c)(2) (relating to amendment related to Omnibus Budget Reconciliation Act of 1993).

Mr. MOYNIHAN. I thank the President, and particularly thank him for affording that the Constitution be preserved.

Finally, as I have said, I would have preferred the Senate-passed bill, in many respects, but committees of conference work by compromise, and we have a compromise before us which I will support, again with great thanks to the chairman, to Lindy Paull and to Frank Polk, and to Mark Patterson and Nick Giordano. I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. ROBERTS). Who yields time?

Mr. WELLSTONE. Mr. President, I defer to the chairman. I am hoping to get a chance to speak.

Mr. MOYNIHAN. Mr. President, I believe the chairman would like to make a comment in response.

Mr. ROTH. Yes, I will be very brief. First of all, I just want to publicly recognize and thank Senator MOYNIHAN for the role he has played. I think his statement today is another example of his towering intellect. We are very fortunate to have an individual who is renowned throughout this country for his ability to analyze, to study, and come up with constructive proposals. Certainly, we have all benefited from his rare intellect.

I would just like to comment on two or three things that he spoke about in his opening remarks. First of all, I share the pride and satisfaction in our higher educational system. I have often thought there are few countries that have anything like ours. They may have one or two outstanding schools—Oxford and Cambridge in the British Isles; in Japan they have the University of Tokyo. But we have so many outstanding schools. My only criticism of what Senator MOYNIHAN said is he failed to mention the University of Delaware which, I must confess, is really a hidden jewel. But I share the pride, and I think it is important that we do everything that we can to strengthen this, both the private and public sector, in these days where knowledge and technology is of even greater importance than any other time.

I would also like to speak very briefly about Amtrak, because it seems to me we have our last clear chance to do something about it. I have to tell you that for the last several months, I have fought tooth and nail to try to bring about a solution. Mr. President, I cannot imagine the leading industrial nation of the world, the only superpower not having a modern passenger rail system. It is just unconscionable for that to happen, particularly in these times when we are running out of—I don't know about the State of New York, but I can tell you, in my little State of Delaware, we are running out of land. How many highways can we build? How many planes can fly over? What are we going to do about the environment? This is a critical matter, not only to the Northeast but to the entire country.

I couldn't agree more with Senator MOYNIHAN than when he calls upon the Secretary of Transportation and the Secretary of Labor to provide some leadership. This can still be salvaged, it still can be saved, but it means that the parties that are involved and interested are going to have to get together and bring about the kind of reform that assures a sound future for our rail system.

This, again I say, is our last clear chance. We have the funds in there. They are available. Now it is up to those who have the voice on reform to get together and compromise and work together, just as we did in our committee.

I again express my appreciation to the distinguished Senator for his contributions and cooperation.

Mr. MOYNIHAN. Mr. President, can I just say thanks once again to the chairman, and add that there is every reason to think that Amtrak is on the verge of financial stability, with a new rail system, fast rail system, and just when we are about to succeed, we can thwart the whole enterprise. I hope we will not do that.

Mr. President, I yield the floor. I find my friend has been waiting so very patiently. The floor is now his.

Mr. WELLSTONE. I thank both colleagues. Mr. President, I ask unanimous consent to take 15 minutes off the time that has been given to Senator BUMPERS, and I ask Senator MOYNIHAN whether I might get 10 minutes from his time, if that would be OK.

Mr. MOYNIHAN. Mr. President, the Senator most surely can. I wish he would.

Mr. WELLSTONE. I thank him.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. Mr. President, let me, first of all, say to Senator ROTH and Senator MOYNIHAN, since my comments will be in disagreement, that I have tremendous respect for all the work that they have done. Both of them represent the very best of public service. But I can't, as a matter of principle, vote for this budget agreement. I support balancing the budget through a process which observes basic principles of economic and social justice and embodies the notion of shared sacrifice in pursuit of the common good, the common interest, the people's interest. But despite the cheers of its supporters, this deal fails miserably those tests.

In the midst of all the cheering over this deal, we face a quiet crisis. It is not a war, it is not a broad economic calamity, but it is a crisis, nonetheless. This is, by the averages and the indicators, a prosperous time for our country. It is a time of sustained economic growth and low inflation, of a booming stock market and low unemployment. There is no blare of bugles, no moan of universal distress, no loud hordes of protesters clamoring in our streets. But averages are misleading. They tell nothing of the end of the curve, the height at the top or the depth at the bottom, and that is where our crisis resides. It is a quiet crisis of money, power, and injustice. It is the crisis of a nation in danger of abandoning the principles of equality and justice that are so fundamental to our resilience and to our future together.

The principle of economic justice in this bill has been eclipsed. I fear it will accelerate growing inequalities in our country that we all should be committed to combat. We have moved in recent years back to a darker time. It is a more stratified America. It is really two Americas: one America with mounting access to the things that make life richer in possibility; the other caught in a constant struggle to make ends meet.

One able to purchase the security of gated communities and private schools; the other beset by the dangers of a decaying social fabric.

One America swiftly navigating the information superhighway, the other lacking the rudimentary skills needed to navigate an ever-more complex society.

One enriched by a rising stock market; the other at the uncertain mercies of the job market.

One wondering when to take a vacation to Europe or Asia; the other hoping to save enough to take a family to a ball game.

This other America, this second America is not inhabited by just the poor or neglected minority. It is, in fact, the residence of the American majority. It is the homeland of most of our workers, most of our families, most of our children, and it is precisely this America that the budget agreement fails to serve fully and fairly.

I would support a deal that required truly shared sacrifice while investing in our future, but shared sacrifice is not what this package is all about. Instead, it is about working families sacrificing and Wall Street investors and big companies garnering the lion's share of the benefits.

Balancing the short-term budget fairly is a responsible and it is a worthwhile goal, made easier by our recent economic boom. But building a strong economy, preserving a shared prosperity, ensuring social and economic stability for the next generation by investing in their health and their skills and their character, our children, this is a far loftier and far more difficult goal for which we should have been striving in this budget agreement, and this agreement falls short of those goals.

First, the agreement is unfair. At times, it is grossly unfair, I say to my colleagues, to the vast majority of working Americans who deserve real tax relief but will not get it in this bill, because most of the benefits go to the wealthiest 3 to 4 percent of the taxpayers and the profitable companies.

Second, this agreement is shortsighted, starving our Nation's investment needs, investments critical to our future economic and social prosperity, in order to pay for large, unfair, and unwarranted tax cuts.

Third, and perhaps most ironically, since its ostensible purpose is to balance the budget, it is fiscally irresponsible. By locking into place hundreds of billions of dollars in tax cuts for the wealthy, as far as the eye can see, many of which will grow larger and larger over time, it will cause the deficit to explode just as the baby boomers are expected to retire and begin to draw on programs like Social Security and Medicare.

While this agreement has been hailed by some Democrats because it partially preserves funding for certain health care, education, and other programs that Republicans have been trying to slash for almost 3 years, and it is hailed by Republicans because it contains the huge tax cuts for the wealthy for which they have so long fought and sought, a closer look is called for in the midst of all this cheerleading.

As a legislator, I have discovered that too often if the deal appears to give all things to all parties, as this one does, something is not quite right.

Americans should take a closer look at the details of this package. When they do, they will be very troubled by what they see. Even with the marginal improvements which were forced by the President and the Democratic colleagues in the Congress, it still is a deeply flawed agreement which mortgages the economic futures of our children for the short-term political benefit which some will derive by claiming to have balanced the budget.

Unless we revisit this deal soon, it will lock us into a program of huge tax cuts, mainly going to the wealthiest of people, funded by equally large spending cuts in virtually every single basic function of Government—environmental protection, airline safety, crime control, science and health and technology research, health care for the frail and the elderly and the poor.

And, Mr. President, it will do so while continuing the Republican Congress tradition of stuffing more money into the Pentagon than even the Pentagon has requested, more B–2 bombers and ships and fighters than we need, mostly to preserve jobs in key congressional districts.

As one of my colleagues observed, this bill sacrifices tomorrow's hopes for today's headlines. That is a mistake for which we will all pay for years to come, just as we did for the mistakes of the early 1980's and its exploding deficits.

Mr. President, the President of the United States said, among other things, he would only sign on to a deal that was fair, fiscally responsible, with no exploding deficits in the next 10 years or so. These were the basic tests that he said he would apply to any final agreement. But this agreement clearly fails the fairness test. The sad fact is that low-income families get virtually nothing—nothing—from this tax cut bill, working families get very little, and the wealthy are the big winners in this tax bill.

While the ink is barely dry on the deal—and so we do not have any official information about its actual distributional impact—we are asked to vote on this without getting any official information about who exactly is going to benefit and who is going to be asked to sacrifice.

Preliminary analysis suggests a disastrously lopsided approach skewed to the very rich, those making over $200,000 a year annually. That is not the middle class in America. The nonpartisan group, Citizens for Tax Justice, has run the numbers through a fairly sophisticated distributional model. And they found that the tax package delivers about half of its benefits to the top 5 percent of the taxpayers.

Half of the benefits go to the top 5 percent of the taxpayers. The average tax cut for middle-class working families and individuals, when you figure in all the tax hikes and cuts together, is about $200. For the richest 1 percent, it is about $16,000. I had hoped for substantial tax relief for working families. This bill only offers about one-fourth of its overall relief to those making under $100,000 a year. I think working families should not have to settle for scraps from the tax cut table. They should have been the first in line for relief. But that is not the case.

But just a few examples.

The alternative minimum tax was passed in 1986. With tax fairness, large companies ought to pay, large profitable companies ought to pay at least some tax. That has essentially been gutted. The Treasury Department estimates that these changes would take 76,000 profitable corporations completely off the tax rolls, and to the tune of $18 billion over the next 10 years.

Another example. While this budget provides little or no relief for working families, it gives wealthy Americans huge capital gains tax cuts. The vast majority of these benefits from the cuts in capital gains go to big investors, people making $200,000, $300,000, and $400,000 annually. Hardly tax fairness.

Mr. President, not only is this deal unfair, it is shortsighted, it ignores our most critical needs as a nation, including repairing and rebuilding our crumbling schools. Not one penny is invested in our crumbling schools, including dealing with our crumbling inner cities, our underdeveloped rural areas.

Through its spending controls, it provides for huge and still unspecified cuts in Federal investments that my colleagues apparently do not like to talk about much, an estimated $272 billion in such nondefense cuts over the next 10 years while it claims to ''protect'' some priority programs.

I am very skeptical. There is not a penny here for crumbling schools to secure educational opportunities for children. How come that was not a priority program? There is too little for job training for dislocated workers, for workers struggling to move off welfare into good jobs, and there is too little by way of reinvesting in our inner cities, the environmental protection, in basic key investments critical to our Nation's future.

Mr. President, I voted against the spending bill. And I will vote against this tax bill. I do not understand how my colleagues can basically view these matters separately. They are part of one package and one deal. And I will just give some examples.

We now have huge, significant cuts in Medicare and Medicaid. And they are being used to pay for the tax cuts in this deal, which disproportionately go to the top 1, 2, 3 percent of the population that need the assistance the least. That is part of the tradeoff.

Mr. President, Medicare will be cut by $115 billion over the next 5 years. And the proposal assumes $385 billion in cuts over 10 years. In Medicaid, we will be cutting $13 billion over the next 5 years.

Mr. President, in rural Minnesota, where the hospitals and the clinics are not greedy—a small profit margin—60, 70, 80 percent of the patient payment mix is Medicare and Medicaid. Please, do not have any illusions about this.

The cuts to the providers will make it difficult for some of these hospitals and clinics to go on. When they no longer exist, that hurts our rural communities.

Mr. President, the cuts in medical assistance disproportionately hurt our children's hospitals and disproportionately hurt our inner-city hospitals which are safety net hospitals for the poorest Americans—including children—in America.

My colleagues say to me, ''Well, but this overall agreement, it's not that bad, after all.'' And I say, ''Compared to what?'' To the earlier Republican bills, which the huge majority of American people rejected, this is an improvement. We did not go forward with a $5 copay, even though it passed in the Senate, for elderly people for home health care visits.

We have done better by way of graduate medical education. And, yes, Mr. President, we have $24 billion more in children's health care. And it includes also some additional parity, nondiscrimination for children and families struggling with mental illness. I thank my colleague, Senator DOMENICI. It is a labor of love to work with him on this.

But, Mr. President, we still do not know at the State level how much of this will reach the children. We hope it does. There are 10 million children without coverage. I have seen projections anywhere from 1½ million to 5 million will be covered, though it is block granted to the States. And we do not have the ironclad guarantees that we need. We need to fulfill our goal of providing adequate and complete care for all children in America.

But, Mr. President, irony built upon ironies. My colleagues say it is not that bad, we are doing better for children. I give credit where credit is due. But last Congress we cut $25 billion in the major food nutrition program for children. It ultimately will be a 20-percent cut in food stamps, and about 70 percent of the recipients are children. Almost all of them are in working families, usually families with incomes under $7,000 a year. This directly affects the quality of their health care. I did not see any restoration of any funding for the major child nutrition program in the United States of America.

Mr. President, my colleagues say we did better for legal immigrants. We restored some of the supplemental security income for those immigrants that have been in this country, but, Mr. President, we eliminated all of the food nutrition assistance. So if you have an elderly Hmong woman in Saint Paul, and she has $450 of SSI and another $75 in food stamps, and that is her total monthly income—and that is exactly the figure for many people —we did not restore any, we did not restore one penny of food nutrition assistance. It is not that bad but, Mr. President, this piece of legislation is also not that good.

Mr. President, I do not understand exactly what the concept of justice is here. I do not know what happened to the principle of justice and fairness. Not only do we have the tax cuts going disproportionately to the top 5 percent of the population, but even when we say we are going to help children and families, we decide that we will do nothing for the poorest.

The child tax credit is refundable. And now we say it is refundable to families with incomes over $100,000 a year. But if you are a family with an income of under $18,000 a year, you are not eligible at all. We decided that families with over $100,000 a year needed the assistance. But since we have the earned-income tax credits, we decided that families with incomes under $18,000 a year would not be eligible for a child credit at all. What kind of standard of justice is that?

I spent a lot of time with those families. I see their struggles. Don't tell me that those families, families in America with incomes under $18,000 a year, could not also have benefited from the tax credit so they could have provided their children with a little bit more. Don't tell me they would not have benefited. What concept of justice justifies a tax credit for families with incomes over $100,000 a year, but zero, no assistance, for families earning under $18,000 a year?

Mr. President, on higher education, we have seen a great deal of discussion. I find it difficult to say this, but I am going to because 20 years of my life was devoted to higher education. Some of this is a bit hyped. Some of it is a bit hyped. Some of it is a bit of hype.

Mr. President, I am grateful for the tax deductions. I am grateful for the tax credits which are nonrefundable, but every single financial aid officer you want to talk to, everyone involved in financial aid will tell you we should have expanded the Pell grants. The statistic that is unconscionable is that a flat 8 percent, since 1979, of those families with incomes under $20,000 a year, only a flat 8 percent have been able to graduate, men and women from those families, with affordability being a key problem. There are other problems but that is the major problem. There is really nothing in this piece of legislation for them.

We expanded the Pell grant by $300, but the Pell grant is now meeting at best about 16 percent of the student's overall need. We could have expanded the Pell grant program up to $5,000 a year. It would have reached middle income as well for the same price tag as to what we did here with the tax deduction and the tax credits.

But, Mr. President, the tax credits are nonrefundable. The tax credits are not refundable. I will just tell you that if you spend any time at the community colleges, you will find that most of the students are older and going back to school, and they have incomes of around $25,000, $26,000 a year. They are ineligible because they do not have the tax liability. And we are making the claim that this is essentially 2 years more of free education? It does not hold up. It does not hold up.

Mr. President, we say we protected priority programs. We have hundreds of billions of dollars in tax cuts, which will increase with every year, disproportionately going to the top 5 percent of the population, and altogether, Mr. President, we came up with not $5 billion that we were going to leverage for some investment in rebuilding crumbling schools, but we threw in $10 million at the end, $10 million for all of America. Mr. President, what kind of priorities are these? How could the administration have bargained this away?

I was down in Delta City, MS, in Tunica, MS. I visited a school. This was an all-black school. The ceiling was kind of crumbling in. The toilets were decrepit. If you had wanted to wash your hands after going to the bathroom, you would not have been able to.

But, Mr. President, I was in Chicago on Monday visiting with some of the housing projects, and I saw the same kind of schools. You look at these schools, they are so uninviting. They are crumbling. And we tell our children we put no value on them when we send children to such schools. The General Accounting Office tells us it costs $110 billion if we want to invest in rebuilding these crumbling schools. We have not invested anything in rebuilding crumbling schools—not really—just $10 million for the whole Nation. That is a joke, and it is a cruel joke. How can we say that we have protected our major priority programs when we don't invest anything in rebuilding crumbling schools in America?

Mr. President, it is not just Chicago and Mississippi; it is North, East, South, and West. I say to my colleagues, if you say you are committed to education, we can have a debate about educational standards. Maybe they are good, maybe they are not. We can debate about how you measure academic performance. We can have all those debates. But this is simple: Don't send children to schools where the ceilings are falling in and the stench of urine is in the hallways and the buildings are decrepit and expect those children to do well. We say that this budget agreement protects our major priorities. What about these children? Aren't they our major priority?

Mr. President, I was in Chicago on Monday in the Pilsen neighborhood with Congressmen GUTIERREZ and BOBBY RUSH at the Robert Taylor Home Housing Project. St. Augustine had a wonderful Head Start Program. It was a great program. I was inspired by their work. But, Mr. President, they could take 30-some children at the site we visited, and they have 335 children who want to participate—335 children who could be given a head start if we fully funded this program.

Altogether we have added $324 million. We have 4 million children in the United States of America, from birth to age 5, who were not served by the Head Start Program, and we have invested a measly $324 million, which we claim—and it doesn't hold up under scrutiny—will lead to an additional 1 million children. Why don't we fully fund Head Start? If the program does what it says it does, which is to give children a head start, why give the tax benefits to the wealthiest of people and, at the same time, not the investment in rebuilding crumbling schools and not an investment in Head Start? Everywhere I go, all across the United States of America, whether it is rural or urban, I see the successes with kids, I see men and women who work with these children. They should be famous. They make too little money as Head Start teachers or as teacher assistants. We say these are the critical years, and we say the very early part of children's lives is the most critical time, and we invest $324 million, and that is it.

Mr. President, many of my colleagues support this bill and they call it, on balance, a good piece of work. I simply cannot join them in their enthusiasm because I am too painfully aware of the people this bill leaves behind. Mr. President, the benefits are skewed toward America's very wealthy, and when working families find this out, they will not be pleased.

Mr. President, this piece of legislation, this budget deal, leaves too many Americans behind. We can and we should balance the budget fairly and responsibly, observing the principle of shared sacrifice and economic justice, making the Tax Code fairer, simpler, and flatter in the process, and investing in our Nation's future. We could have done that because the economy is booming and it is much easier to do it now than a few years ago. But with this bill, Mr. President, we have failed in that effort at fairness.

If this balanced budget agreement is to be the great accomplishment of 8 years of Democratic Presidency, then history will judge us harshly. With a budget that we already have, that is essentially in substantial balance because of the policies of the past 4 years, this agreement today is really a triumph of the past rather than a bridge to the century to come.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. ROTH. Mr. President, I yield 10 minutes to the distinguished Senator from New Hampshire.

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

Mr. GREGG. Mr. President, let me begin by congratulating the Senator from Delaware for the extraordinary job he has done in putting together this tax reduction package, which is directed primarily to assisting American families, working families of middle-income means, to make it easier on them to meet the day-to-day expenses of raising a family. It takes giant strides in assisting especially the American middle-income family in dealing with the cost of education, which is absolutely critical. The effort that was put into this by the Senator from Delaware in leading this initiative and pulling this together and getting it passed is nothing short of extraordinary. It will go down as one of the finest hours, I think, in this body and certainly in this Congress. I congratulate him for it.

I wanted to speak briefly about a couple of areas in the bill that I think are especially positive and for which I thank the Senator from Delaware for working so hard on them.

First is the area of estate tax reform. We have heard a lot about how this bill greatly helps especially the small businessperson and farmer in being able to retain their business and pass it on to their heirs—their children, in most instances—so they can continue to run the business, so that all the years of sweat equity put in on building a family farm or a small business won't be lost or confiscated on the death of the primary owner of the estate, but rather will be passed on to his or her family, and the tax burden on that small businessman or farmer is dramatically reduced.

But there is another item in this bill that has not been talked about at all, which I think is especially important in places like New Hampshire, and that is the conservation tax—a tax break for people who leave their land or keep their land in conservation, or in the silviculture activities, upon the death of the primary owner of the estate. This section of the bill, which was initiated by myself and Senator CHAFEE from Rhode Island, is basically directed at addressing a problem which we see especially in New England. There is tremendous pressure on our forest areas to convert those areas to development. Many people in New England—especially in New Hampshire—run very small tree farms, or operate a lumber business, or a logging business, or a business that in some way uses the forest lands. In addition, there are a lot of people who, just for the purposes of being good citizens, keep their lands open. They don't develop them. They keep their lands in a natural, or fairly close to natural, state, and their lands in many instances are used for recreation or are used for hunting and used, obviously, to maintain the environment.

Unfortunately, when these folks pass on, because of the nature of New England today and the heavy populations that we have and the expansion of population that we have, in most instances these pieces of land aren't valued for the purposes of running a tree farm or maintaining wood lots. They usually are valued for some higher use, defined by the terms of cost, such as a mall or, in many instances, a housing development of some nature. The result of that is that the property in the estate ends up being valued at an extraordinarily high level. The heirs who receive the land have no option but to sell the land, develop the land, and as a result, convert the land from forestry use into some sort of commercial or construction use, which has two events. First, it obviously ends the ability of the forestry industry to use that land for the purposes of maintaining forest and silviculture activity. Second, it ends up developing land. That changes the character of the State in many ways.

There are a lot of people who would rather not develop the lands. A lot of heirs are willing to keep the land as a production for forestry activities, or as a conservation area, but they can't afford to do that because the taxes are so high. So in this bill, as a result of the efforts of the chairman of the committee, myself, and Senator CHAFEE, there is now a new deduction that allows people, who agree to do it, to retain their land as a conservation easement when they receive it from an estate and, thus, keep it as land that is protected for the purposes of keeping it in a fairly natural state—using it for timbering if they desire to do so. There will be a deduction relative to the value of that land of about 40 percent, which is a major plus. It is a major commitment to the community, a major commitment, obviously, to the individuals who will be receiving the land, that the Federal Government isn't going to force people to sell their land in order to pay their taxes by putting a value on the land that is so high that they have no option but to sell their land. That is good news.

Now, this only applies to certain types of land. It applies to land which lies within a certain distance of a national forest or an urban forest. So it doesn't apply to all of the land in New England or all of the land in the country. It does apply to land which is basically in the same area as the area which has already been protected for the purposes of maintaining its pristine qualities. That only makes sense that that type of land should be the land that we are targeting, so that we don't end up with large commercial developments surrounding our national forests and urban forests.

As a result of this language being put in the bill and the way it was put in, it will actually apply to about 90 percent of New Hampshire because so much of it is a national forest. We have the largest national forest, I believe, east of the Mississippi. Certainly, we have the largest national forest in the Northeast, or the most visited in the Northeast, the White Mountain National Forest, which takes up about 17 percent of the State, I believe. Therefore, it has a very significant land mass within the State. So this is good news for those of us who believe very strongly that maintaining the character of the land, in the State of New Hampshire especially, is critical. This will allow those folks who receive land coming out of an estate to keep that land as forest land, if they desire to do so, and not be forced to sell in order to pay taxes. That is a very big plus.

The second element I want to congratulate Senator ROTH for deals with retirement provisions in this bill. There is a very positive expansion of the ability of people to save for retirement in this bill. Of course, there is the famous Roth IRA accounts, which we heard a fair amount about, which are a series of expansions of IRA accounts. More important, this is a whole series of initiatives which came out of a working group I chair, the leadership task force on retirement reform. Thirteen of those items are in this bill. They give the small businesspeople in this country much more flexibility in putting in place retirement accounts and gives individuals much more flexibility in the area of being able to participate in saving for their retirement, and they are very strong initiatives.

I will say a few words about what this tax bill will mean to American families and to their ability to save for retirement.

Earlier this year I was named to chair a Republican Retirement Security Task Force. We introduced a series of reforms as S. 883.

Senator ROTH's contribution to the task force's work was vital. I also appreciate his willingness to work in favor of many of these provisions in this tax legislation.

This Nation faces a dire need to expand retirement saving to meet the retirement needs of an aging 21st century population.

But behind this general national picture are the real-life concerns of millions of hard-working American families, who are concerned about their prospects for retirement. This bill will significantly increase their chances to achieve a dignified and secure retirement.

I would like to describe some of these provisions and the effect that they would have for families.

Consider a family, John and Mary Smith, where John is a full-time paid employee, and Mary is working within the home. Or, perhaps Mary is working full time, and John is working within the home. Between them, they earn $50,000. And suppose that John, but not Mary, is able to participate in a pension plan at work.

Under the old law, this couple could not make a deductible contribution to an IRA. But under this bill, now Mary can make a fully tax-deductible $2,000 contribution to an IRA.

And the same is true whether this family earns $50,000 or $60,000 or $70,000—on up to $150,000. Because of this tax legislation, a huge number of families will now be able to participate in tax-deferred IRA accounts.

An article in the Washington Post this morning indicated that fully 7 million new IRA accounts will be opened because of this measure alone. Think of what that will do for a couple's retirement security—if they are able to put away $2,000, tax-deferred, every year.

Consider another couple: Michael and Susan Jones. Suppose they have a family farm. And because of the fortunes of farming, their income goes up and down from year to year. Perhaps one year they earn $50,000—and the next year they only earn $30,000.

Under current law, this couple is going to be very concerned about whether they can save in an IRA. They don't know whether their contributions will be tax-deductible or not. One year it is, the next year it isn't. It's very difficult for them to know, as the year progresses, whether they can afford to put the money in.

Under this legislation, we have created something new for them—the back-loaded IRA. Now Michael and Susan can make contributions to an IRA without worrying about whether they will get the tax benefits—because those tax benefits will come at the end of the road. They don't get the tax deduction now, when they contribute to the IRA, but they know that at the end of the game, they will have tax-advantaged earnings through the IRA. This legislation gives them a new way to gain tax advantages from savings.

And, this legislation also vastly expands traditional IRA accounts—doubling the income limits for tax deductibility over the next 5 years. As a result, millions of Americans will find it easier to save for retirement.

This legislation also contains many of the pension reform provisions which we worked so hard to create in S. 883.

This legislation increase the security of employer-provided pensions—by increasing the amount of employer funding to meet those pension liabilities.

Under current law, Mr. President, most employers do not have enough funding in these pension plans to meet eventual liabilities. Not because the employers won't do it—but rather because the Government won't let hem. We had sharply limited the amount of funding that employers may put in these pension plans.

So when Frank Williams goes to work, there is often only enough funding in his pension plan to support benefits that he would receive if he and everyone else in the company retired today. Frank hopes to work longer, to accrue a larger pension benefit someday, as does everyone in the company. And the liabilities of the pension plan will eventually be much larger, because everyone working there will someday be entitled to much higher benefits than are accounted for in current measures of liability.

Under this legislation, we will raise the limits on employer funding of pensions—from 150 percent of current liability to 170 percent. Employers will be permitted to fund at a level that is closer to their projected liability. This means greater retirement security for all Americans. It means that there will be more funds in Frank Williams' pension plan.

Now consider the case of another hard-working American, Walter Taylor, an aspiring entrepreneur, starting his or her own business. Under the old law, if he started a pension plan, and he was therefore paying both the employer match and the employee contribution for his own pension benefits, he would not get the same tax treatment that other employers get. This legislation will create a level playing field for the self-employed, and says that they too will receive the same tax treatment of their matching contributions that other employers receive.

This will be a tremendous benefit to small businesses, which is where we most need to expand pension coverage.

This legislation will also make it easier and more convenient for families to save through IRA's—by facilitating automatic payroll deductions into IRA's.

This legislation will also make it easier for State and local government plans to operate, by exempting them from the cumbersome nondiscrimination rules that were not intended for Government plans.

This legislation will streamline and simplify paperwork and reporting requirements. It will eliminate the need for obsolete and unnecessary forms, and will also facilitate the use of electronic technology to replace old paperwork.

Finally, the legislation will make a number of technical corrections to the law, straightening out inconsistencies between tax and regulatory treatment of pension contributions, inconsistencies that have frustrated employers and pension administrators alike.

I am pleased to have been the principal sponsor of these provisions, and I commend and thank those who have worked to bring us closer to enacting them into law.

Mr. President, I thank the Senator from Maine for allowing me to precede her. I thank the Senator from Delaware for allowing me to speak and for his extraordinary effort.

Mr. ROTH. Mr. President, I want to thank the distinguished Senator from New Hampshire for his very gracious remarks.

PRIVILEGE OF THE FLOOR

Mr. ROTH. Mr. President, I ask unanimous consent that the Joint Committee on Taxation staff members named on the list I send to the desk be granted floor privileges for the duration of the consideration of the conference report on H.R. 2014.

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

The list is as follows:

STAFF MEMBERS—JOINT COMMITTEE ON TAXATION

Angus, Barbara M., Business Tax Counsel.
Arkin, Steven D., Legislation Counsel.
Barthold, Thomas A., Senior Economist.
Hartley, H. Benjamin, Senior Legislation Counsel.
Kies, Kenneth J., Chief of Staff.
Killelea, Kent L., Legislation Counsel.
Mann, Roberta F., Legislation Counsel.
Matthews, Lauralee A., Senior Legislation Counsel.
McDaniel, Alysa M., Legislation Counsel.

Mikrut, Joseph M., Associate Deputy Chief of Staff.

Navratil, John F., Economist.

Nega, Joseph W., Legislation Counsel.

Owens, Judy K., Legislation Counsel.

Rock, Cecily W., Senior Legislation Counsel.

Schmitt, Mary M., Deputy Chief of Staff/Law.

Schwarz, Melbert E., Accountant.

Smith, Carolyn E., Associate Deputy Chief of Staff.

Wold, Barry L., Legislation Counsel.

Terry, Maxine, Legislation Counsel.

Mr. ROTH. Mr. President, I am now pleased to yield 15 minutes to the distinguished Senator from Maine.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Ms. COLLINS. Thank you, Mr. President. I thank the chairman, Senator ROTH, for the extraordinary work he has done to bring this before us today for passage.

Mr. President, I rise today in strong support of the conference report on the Taxpayer Relief Act of 1997, the first major tax cut for the middle class that the Congress has passed since 1981.

This historic tax cut bill, along with the companion Balanced Budget Act, represents very good news for the American people. These measures put the Federal Government on the road to a balanced budget, and will provide much-needed tax relief for middle-class families in Maine and across the Nation.

There are several small business and education provisions that I am particularly pleased to see included in the legislation before us today. These proposals have been among my highest priorities since coming to the Senate.

In fact, the very first bill I introduced as a Senator was designed to provide tax relief for family-owned businesses and farms. I am, therefore, delighted that the Taxpayer Relief Act will provide substantial estate or death tax relief for family-owned businesses and farms, the backbone of our economy in Maine. Effective in January of next year, these businesses and farms will be eligible for a $1.3 million exemption from Federal estate taxes, more than double the current $600,000 exemption.

Mr. President, I cannot tell you how strongly I feel about providing this relief. Time and again family business owners in Maine have told me of their painful decisions to dismember their companies, to sell them to large out-of-State corporations, in order to avoid saddling their children with enormous debt to pay the estate tax. The tax is wrong. It is simply unfair. We ought to be encouraging family businesses to prosper and to continue from generation to generation.

Given that family businesses will create two-thirds of the new jobs in the future, our Tax Code should encourage their creation, expansion, and continuation. The current estate tax structure penalizes job creation and, according to several studies, has actually cost our Nation as many as 220,000 jobs—220,000 jobs lost because of this onerous tax. Passing the estate tax relief provisions of this bill will allow family business owners to invest in their companies, rather than in a platoon of attorneys, accountants, and insurance agents attempting to alleviate the estate tax bite.

Adopting this proposal will mean that these businesses and farms can stay in the family, and be passed from generation to generation, from parents to their children, instead of being sold in order to pay taxes as happens all too frequently under the current estate tax laws. These reforms will help keep the family in our family businesses and good jobs in our communities.

In addition, the tax package contains some very important reforms that will help make a college education more affordable for middle-income families, another of my top priorities.

Mr. President, prior to serving in the Senate, I worked at Husson College, a small college in Bangor, ME, whose students primarily come from lower and middle-income families. Most Husson students are the first members of their family to attend college.

At Husson, I came to appreciate the critical role that Pell grants and student loan programs play in making college available to many students, but I also learned that our current programs do far too little to help many middle-class families who have to carry the heavy burden of college costs for their children largely by themselves.

This is a very serious problem. I am pleased that this legislation contains several provisions that are specifically designed to make it easier for middle-income families to save for their children's education and to help graduates pay back their student loans.

For example, families will be allowed to establish tax-deferred education IRA's that reward them for planning and saving for their children's college education.

Especially important, this legislation allows students to deduct up to $2,500 annually in interest on their student loans. Many college graduates are faced with daunting debts that will strain their finances for years. We currently do not do enough for those for whom the road to college ends not with a pot of gold but with a pile of debt. Many college graduates are faced with daunting debts from their student loans that will strain their finances for years.

Many students in my home State of Maine, when confronted with this dilemma, either decide not to pursue a college education at all, or decide to drop out of college. That is one important reason why Maine ranks a dismal 49th out of the 50 States in the number of high school graduates going on to college. That is why this student loan interest deduction is so critical to bringing college within reach of many middle-income families.

Mr. President, these proposals—the education savings account and the tax deduction for student loan interest—were included in legislation I introduced earlier this year, the College Access and Affordability Act of 1997. I am very pleased to see that they were included in the conference report. Making higher education more accessible and affordable is essential if we are to have a high-quality work force able to compete in a global marketplace in the 21st century.

Finally, Mr. President, I want to note several other important provisions that will help our small businesses—the job creators in this country. This legislation will make health insurance more affordable for the 82,000 people in Maine who are self-employed. They include our lobstermen, our hairdressers, our electricians, our plumbers, and many owners of our small mom-and-pop stores that dot the communities throughout our State.

Under this package, self-employed workers will be able to deduct 100 percent of their health insurance premiums by the year 2007. Establishing parity of health insurance costs between the self-employed and those working for large businesses is a matter of basic equity, and it will also help to reduce the number of uninsured, but working, Americans.

Finally, another important provision for small businesses is the restoration of the home office tax deduction, which was nullified by a Supreme Court ruling several years ago. Home-based businesses are exploding all over Maine. This bill will enable many entrepreneurs in Maine and throughout the Nation to once again deduct the very legitimate expenses associated with working out of their homes.

Mr. President, in closing, I want to once again commend the distinguished chairman of the Finance Committee, Senator ROTH, the distinguished majority leader, Senator LOTT, and Senator NICKLES, Senator MOYNIHAN, the ranking minority member, and all of those who have played such a vital role in crafting such historic legislation. It will provide tax relief to our families, to our small businesses, to our family farms, and to our students—to our entrepreneurs.

It is a terrific bill that deserves broad bipartisan support. This legislation has my enthusiastic support, and I appreciate very much being able to speak to my colleagues on this issue.

Thank you. I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. CONRAD. Mr. President, I yield myself such time as I might consume off Senator MOYNIHAN's time.

The PRESIDING OFFICER. The Senator is recognized.

Mr. CONRAD. I thank the Chair.

I say to my colleague, Senator HAGEL, that I think they are under an informal understanding of going back and forth. I would be glad to hold off, if the Senator has another responsibility elsewhere. I would be happy to stand down and allow him to proceed.

Mr. HAGEL. My friend and colleague is very generous. My only other responsibility, after just a couple of brief comments, would be to preside over your insightful commentary on the floor of the Senate. If I might take advantage of the Senator's generosity, I would not need more than 5 minutes at the most.

Mr. ROTH. Mr. President, I yield 5 minutes to the distinguished Senator from Nebraska.

Mr. HAGEL. I thank the chairman, and to my friend and colleague from North Dakota, I thank him.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. HAGEL. Thank you, Mr. President.

Mr. President, I would like to take a couple of minutes to give some perspective about what this body has been doing the last few months, culminating in a vote shortly today or tomorrow on the Tax Relief Act, and what we have just done this morning in the balanced budget amendment.

Four years ago almost exactly, the Congress of the United States passed the largest tax increase in the history of America. I bring that point to the front because, Mr. President, the agenda has changed. The issues have changed. We are now talking about cutting spending, cutting taxes, balancing the budget, and actually stepping up to the short-term and long-term challenges in our entitlement programs. I might add as well that this is a bipartisan effort. The vote that we just held this morning on the balanced budget amendment was 85 to 15 with strong bipartisan support—Democrats and Republicans working together.

As we approach a new century—a hopeful, dynamic, energetic, new century full of great promise for our next generation—it is very appropriate that we take in this body the responsibility to focus on fiscal change and infrastructure change to prepare us as we go into this next century. We cannot hope to compete in a global economy when we overtax, overspend, and overregulate. I believe that all of us in this body have come to that conclusion.

The House overwhelmingly last night passed the balanced budget amendment. They, too, will vote on the tax act, as we will shortly. But sometimes in the rush of the activity and the heat of the moment and the passion of the politics, we tend to forget what has been accomplished here. This has been a remarkable accomplishment. Imperfect? Of course. Tax cuts—not deep enough. Spending cuts—not deep enough. This body is on record in going further on dealing with some of the tough, tough issues that we are going to have to deal with in Medicare and entitlements. But what is important is that we have made a beginning—a very strong, substantive beginning. It is due to the efforts of both sides of the aisle and all in this body who have helped to make this happen.

I listened to my colleagues this morning walk through some of the specifics of the tax bill. I think they are worthy of what we have done because, as you frame it up and understand it, what we have done is, for the first time in 16 years, we are about to bring real tax relief to Americans. By our vote this morning we have started to begin to harness the energy and the resources that we have in this country with showing some fiscal responsibility—balance the budget and, again, in a bipartisan way. Those are elements that should not be forgotten or dismissed easily when both sides of this debate talk about what we have done and what we have not done.

So I, Mr. President, appreciate the opportunity to bring some general perspective to this, because occasionally we don't step back enough and understand what really has happened here and how this will strengthen this country and the opportunities for our young people as we go into the next century.

Again, imperfect, more to do, strong beginning. And I, for one, Mr. President, as a new Senator to this body, am proud to have voted for the balanced budget amendment this morning, and I intend to vote for the Tax Relief Act when it comes to this floor.

I appreciate the time which my distinguished colleague from North Dakota and the chairman of the Finance Committee have given me.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER (Mr. HAGEL). The Senator from North Dakota is recognized.

Mr. CONRAD. I yield myself such time as I might consume off the ranking member's time.

I thank the Chair.

Mr. President, first of all, I want to acknowledge the efforts of the chairman of the Budget Committee, Senator DOMENICI, and the very great contribution of the ranking member of the Budget Committee, Senator LAUTENBERG. In addition, I want to recognize the exceptional efforts with respect to the tax bill of the chairman of the Senate Finance Committee, Senator ROTH, and Senator MOYNIHAN, the ranking member.

First, let me say with respect to Senator ROTH, that he conducted the Finance Committee as I hope all committees of Congress would be conducted. He was absolutely fair. He conducted that committee with a bipartisan spirit. I think it made a great difference in bringing us to this point.

I think for too long in Congress on both sides there have been those who conducted themselves in a very partisan way. Senator ROTH chose to conduct himself in a bipartisan way. That did not mean Senator ROTH gave up his long-held views on taxes and spending. He certainly did not, nor did others of us who may disagree. We had a full and fair debate, and all of us took principled positions that were ones we deeply hold. But there is no reason we cannot have full and fair debate and treat each other with respect. That occurred in the Finance Committee, and Senator ROTH and Senator MOYNIHAN deserve great credit. I want to say that at the outset. I hope that serves as a pattern of how we conduct ourselves going forward in the Senate. I think that is the model of how people in this country would like to see us conduct our business. So I want to say to Senator ROTH, thank you for being a gentleman and conducting yourself with grace.

Mr. President, I, too, am proud to have voted for the provisions that we passed this morning that will finish the job of balancing the unified budget. I am also going to be proud to vote for the tax bill. While it is not precisely as I would have written it if I were given a free hand, none of us can be given a free hand. We are part of a legislative body, 100 on this side, 435 in the House and, of course, we have the White House to consider because the President can exercise a veto.

We worked together to fashion a result that is a compromise. I think it is a very principled compromise. I think it is a fair result. Frankly, I would have done more by way of deficit reduction. I wish we had been more ambitious. I wish we would have done more in long-term reform of entitlement programs. But that was not to be. That is for another day.

Mr. President, we have made progress. This package in total does not reduce the deficit as much as I would have liked. But nonetheless there is solid deficit reduction here, about $175 billion of net deficit reduction over the 5 years.

I have been part of a group of centrists, a group of 25 Senators evenly divided between Democrats and Republicans. We had a more ambitious package of deficit reduction, I would say perhaps twice as much. I would like to have seen that package passed. We also supported in the Finance Committee on a bipartisan basis more far-reaching entitlement reforms, especially with respect to Medicare, but others in the House would not vote for those changes. Notwithstanding the fact that I would like to have seen a different package, a more ambitious package, the fact is this package is worthy of support. It does further reduce the deficit. It does bring us to unified balance. I want to make certain we all understand the difference between unified balance and what I would consider a true balanced budget. But it also provides expanded educational opportunity for our children. There is provided in the previous legislation we passed this morning a broader coverage for children in health care. It provides for tax relief. There are a whole series of provisions that I think are going to be useful, including child tax credits and educational credits. There is also tax reform in a number of other areas, including estate taxes. Estate tax relief will be especially important in a State like mine where we have many small businessmen and farmers. We have a package of increased savings opportunities. Nobody is more responsible for those than Senator ROTH of Delaware. He has had a passion for expanding IRA's and they will provide an incentive, I believe, for further savings and investment.

There are also capital gains changes that will be welcome in many circles. I personally would not have favored the extent of capital gains changes passed here. I would have favored a more targeted approach. But nonetheless, we did reach an agreement, and as I said earlier, this agreement is worthy of support.

I, too, want to put this in perspective. I may have a different perspective than the occupant of the Chair as he expressed it a few moments ago. I remember 1993 very well. The deficit was $290 billion, and every projection that we had said the deficit was going higher. The Democrats at that time had just been elected to the White House. Democrats had control of the Senate and the House. We had to produce an economic plan, a 5-year plan, and we did. We passed that plan without any votes from the other side of the aisle, not one.

In that plan, it is true, we raised taxes. I would not agree that it was the largest tax increase ever. I believe the tax increases that were passed in the early 1980's were larger in terms of relationship to the size of our economy. But nonetheless, we did raise taxes, raised income taxes on the wealthiest 1 percent in this country. We also cut spending—$250 billion of spending cuts—over 5 years.

That package worked. Some on the other side said that if we passed that package it would crater the economy, that it would increase unemployment, that it would increase the deficit, that it would reduce economic growth. Well, the record is now in. The record is clear. Our friends on the other side of the aisle were simply wrong. That package did not increase unemployment. Precisely the opposite occurred. We had the creation of 12½ million new jobs in the last 5 years. Inflation is at a 31-year low. Unemployment is at a 24-year low. We have had remarkable economic growth. We have had business investment expanding at a rate of 10.5 percent a year. We have had the largest reduction in poverty in our history. This has been an economic plan that has worked remarkably well. So that is my perspective on how we get to where we are today.

I will just show this chart. It shows the 1997 budget agreement is only possible because of the savings generated by the 1993 plan. Interestingly enough, if you look at the years from 1994 to 2002, the 1993 plan generated over $2 trillion of deficit reduction—$2 trillion. The plan we are talking about today will further reduce the deficit, but it will produce less than $200 billion of net deficit reduction through 2002. So most of the heavy lifting was done by the 1993 plan.

I am extremely proud to have been part of that plan because it took courage to pass that plan. It was controversial and it was difficult, but it worked.

Mr. President, today we are talking about a tax plan that, as I indicated, has many important elements. One of the elements that I think is very important in this debate is we are able to extend the child credit to people who are paying payroll taxes that do not have further income tax obligation.

Some said it would be welfare to give a child tax credit to those who do not have an additional income tax obligation but are paying payroll taxes. I am very pleased that we were able to prevail in that debate because the reality is we have tens of millions of people in this country who are paying more in payroll taxes than they are paying in income taxes. In fact, 73 percent of the people in this country pay more in payroll taxes than they pay in income taxes. Those payroll taxes are not just being used to finance Social Security and Medicare. They are also being used to finance the ongoing operations of Government, because every year we are taking the Social Security surpluses and spending them. We are spending the Social Security surpluses to support the ongoing operations of Government.

I will display this chart because it shows what has happened with payroll taxes. They have increased dramatically. They now make up about 35 percent of the revenue of this Government; and, again, 73 percent of the people in this country are paying more in payroll taxes than they are paying in income taxes. So I think it is entirely appropriate that we extended the child credit to offset payroll taxes for those folks who earn less than $30,000 a year.

I might say, in my State, that is very nearly a majority of the taxpayers.

The other provisions of this tax bill are also critically important. I am especially pleased with the education component because we have made an enormous investment in American families being able to send their kids on to higher education. That is good news for American families. The good news does not stop there. We have also expanded the incentives for people to save and invest. Again, I want to acknowledge the role of Senator ROTH in that regard.

In my State of North Dakota, we have tens of thousands of small businessmen and farmers who have looked at the estate tax provisions of current law and said, Senator, these have not been adjusted for decades. We are still stuck at $600,000, and it is time for an adjustment. I am especially pleased that in this legislation small businessmen and farmers next year are going to see that basic estate tax provision raised to $1.3 million. That is going to make a real difference in the ability of small business people in my State and the State of the occupant of the Chair to pass on their businesses or their farms to family members.

I think that is what we want to do in this country. We do not want to break up a small family business or a small family farm. Someone may be listening and thinking, is a small family farm, 1.3 million? Given what's happened to land values in parts of our State and other parts of the country, as urban pressures have grown, absolutely that can be a small family farm. You can have a land value of $1.3 million and have people who are cash poor. I have friends who are in farming. If you went to their homes, you would find them living very modestly, very modestly, indeed—driving old cars, living in homes that have not had much done to them in maybe 20 years. Yet they have a land value of $1.5 million. But they have very little in the way of cash income. Yet the current estate tax works to break up those family operations. That is not what we want to be doing. These estate tax changes are going to be very positive.

Mr. President, I want to end as I began by saying this has been a bipartisan effort, it has been a constructive effort, and it has brought us to this result. It is a good result. I also want to say that we have more work to be done. When we talk about balancing the unified budget, what that means is that we are taking Social Security surpluses and counting those in order to achieve balance. It is not my idea of a real balanced budget. I will really celebrate the day that we are no longer counting Social Security trust fund surpluses in order to say that we have balanced the budget.

Let me just show this last chart, because this shows what has happened to the so-called unified deficit. It is the blue line. It shows back in 1992 we had a deficit of $290 billion. It has gone down every single year since the 5-year plan that we put in place in 1993.

This year the projection is $67 billion. I think when the new figures come out in the next couple of weeks they will show that the deficit this year, instead of being $67 billion, as is the current projection, will be down even substantially from that, perhaps as low as $45 billion. Some are even now saying the deficit this year will be as little as $30 billion.

We have had a cumulative deficit of only $11 billion in the first 9 months of this year. That is a remarkable success, from a deficit of $290 billion in 1992 to a deficit this year that may be as little as $45 billion. Then, under this plan we bump up next year. We don't know what the new projections will show. Then we are on a steady, declining path to unified balance in 2002.

But the red line shows something else. It shows that while the deficit is in fact declining each and every year, we will still be left with a $109 billion deficit in 2002, when one includes the Social Security trust fund surpluses. So I think it is fair to say that this plan does balance the unified budget, it does provide tax relief, it does do other things that are very helpful to the American people. But I think it is also important to remind ourselves we still have progress that needs to be made. Because in 2002 we will still have a real deficit, when we consider those Social Security trust fund surpluses that are being thrown in the pot to claim balance.

Even with that said, the fact is this package does represent progress at further reducing the deficit. It does represent tax relief. It does represent the other things that I referenced earlier, like expansion of educational opportunity for our families. It also provides, in the earlier legislation passed, a dramatic expansion of health care coverage for kids in this country who need it.

With that, I yield the floor. I again thank my colleagues who have worked on a bipartisan basis to achieve this result.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, before yielding time to the distinguished Senator from Ohio, I would like to thank my good friend and colleague from North Dakota for his knowledge, his background, and contributions to this effort. No one has, I think, greater expertise in such matters as these than this distinguished Senator. I just wanted it to be publicly known that I appreciate his contribution and look forward to continuing in a bipartisan spirit.

I am now pleased to yield 10 minutes to the distinguished Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. DeWINE. Mr. President, I thank the chairman of the committee, Senator ROTH, for the fantastic job that he has done. I congratulate also our majority leader, the chairman of the Budget Committee, Senator DOMENICI, as well as the Chairman of the House Budget Committee, JOHN KASICH, and the Chairman of the House Ways and Means Committee, BILL ARCHER—all of the people who have been involved in this really historic piece of legislation. I rise today in strong support of this conference report, the Taxpayer Relief Act. This historic budget agreement is an important step forward for fiscal responsibility, fiscal responsibility that will balance the budget for the first time in 30 years. And it will provide much-needed tax relief for working families.

When we implement this budget agreement, the result will be the first balanced budget since 1969. That is great news for the U.S. economy as well as for the working families who will see a decline in the interest payments they have to carry. This bill will give working families some long-needed, much-needed, much-deserved tax relief—$90 billion of tax relief over the next 5 years. Today, the working families of Ohio and the rest of America are paying record-high taxes. All across America, total taxes eat up 38 percent of the typical family's budget—38 percent. That is more than the typical family spends on food, clothing and shelter combined. On these family necessities they only spend 28 percent of their income.

The people who are particularly helped by this are the lower middle class, the middle class, the working American. A family of four, two children, two adults, with an income of $30,000, will see tax savings of 53 percent—53 percent. A family with a $40,000 income, that same family, would receive a 30 percent tax savings. That same family, at $50,000, would still receive a 21-percent tax savings. That is real money. That is very, very significant.

The education tax incentives will also help the next generation. It will help Ohio families, it will help American families. We all know education is getting more and more important as we move to a skill-based economy. We also know it is very expensive. This tax relief bill will help Ohio's families save and pay for their children's education. It will expand the IRA's available for education and create tax-free prepaid tuition plans. It makes interest on student loans deductible from Federal taxes. It also encourages employers to invest in the education of their workers by giving them a tax deduction for employee training and employee education.

This historic tax bill will help families make ends meet over the short term, and will help them educate their children over the long term. In my view, this is a modest bill, but it is a very important bill. It is a historic bill. It is important because it helps America as a nation reverse course. Mr. President, 50 years ago Americans paid 2 cents out of every dollar they earned to the Federal Government. Today they are sending 25 cents to Washington alone, and that is not counting all the other State and local taxes. That's going in the wrong direction. What we do with this bill is change course and begin to go in the right direction. The $500 per child tax credit, in particular, will help ease the burden of working families who need to hold down two or more jobs to make ends meet.

The tax relief in the agreement will also do a great deal for small business men and women. The capital gains cuts and the lowering of the estate tax will help promote economic growth and help preserve family owned and operated businesses. All of these policy changes in my view are extremely positive. They represent substantial progress over where we are today.

I hope that we soon will address the long-term problem, though, of runaway entitlement spending. We begin to make progress with this bill. Clearly we have to go further. To balance the budget by the year 2002, as the budget agreement would in fact do, is very, very important. In fact, it's a prerequisite for any other progress we intend to make in economic policy. However, while it is essential, it is only a first step. We need to view what we are doing today, really, as just that, a first step. Our next necessary step is to prepare the Federal budget for the fiscal tidal wave that will occur when the baby boomers start to retire and become eligible for Social Security and for Medicare. In my view, we have to start reforming the entitlements in a responsible and bipartisan way. Congress has been talking about this for years. It is essential that we make it happen and we make it happen as soon as possible.

But, for today, this bill and its companion measure are an excellent step forward, a first step. I am proud to vote yes on both of these historic conference reports.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I yield myself as much time as I may consume of the time allocated to our side.

I come to the floor today to say I intend to vote for this conference report and am pleased with the work that has been done in the Congress, and especially the work that has been done by so many people who invested so many hours to try to do the right thing.

The Senator from Delaware, Senator ROTH, who heads the Senate Finance Committee, has disproved the old adage about what a committee is, which is: A group of the unwilling chosen from the unfit to do the unnecessary. This committee, under this chairman's leadership, and the men and women from the Republican and Democratic caucus who were assigned to that committee, I think have done some very substantial work that will engender a substantial vote in the U.S. Senate, a bipartisan vote. I am glad to stand on the floor in this circumstance and say, finally, we have reached a point where both parties have come together to say that we fashioned something that we think will work for this country.

We have a very different view of how we got here. I heard some remarks earlier. Some of that is probably typical and traditional rhetorical comments from both sides about where we have been and where we are going. I can remember 4 years ago on the floor of this Chamber when the deficit was going up, up, up and out of control, following a decade in which the description by the new economic guru to previous administrations was, ''Well, let's double defense, cut taxes and things will be just peachy.'' Defense spending doubled, taxes were cut, and we nearly choked on deficits in this country.

We came to an intersection in 1993, 4 years ago, with a new President and a Congress, and this President said, ''Let's take a hunk out of that deficit and tackle that Federal deficit,'' and we voted for it and did it by one vote—one vote.

I can recall the cries of alarm on the floor of the Senate:

''You're going to throw this country into a recession.''

''You're going to ruin this country's economy.''

No, we didn't do that. We were willing to stand up and vote for harsh medicine to say this fiscal policy has been out of control, we need to get it back into control and play no more games. We cut some spending, we increased some taxes, yes, and we cut this deficit down, down, down and down, and guess what happened as a result of it? Unemployment plummeted. More people are working, inflation is down, the deficit is down, the economy is growing, and it is a better place because of it, and only because we are standing on the shoulders of those in 1993 who cast that vote, some of whom are not here, because we took a clobbering for that medicine in 1993. Only because of that tough decision are we now able to do the rest of the work and say to the American people, this country is moving ahead, moving in the right direction, and economic growth is sufficient so that now we can provide some tax cuts, as well as some spending cuts, and not only tackle the rest of the budget deficit problem, but also provide some much-needed relief to overburdened American families.

Carl Sandburg said once:

> I see America not in the setting Sun of a black night of despair ahead of us, I see America in the crimson light of a rising Sun, fresh from the burning creative hand of God. I see great days ahead, great days possible to men and women of will and vision.

My attitude about where we are in this country is we are headed in the right direction. As I said, unemployment is down, jobs are up, crime is down, the country is growing. Is everything perfect? No, not at all. We have a lot of changes ahead of us. Is everything in this bill perfect? No. If I had written it, I would have made some changes. But have we come together at this juncture, together with a Democratic and Republican Party, a Democratic President, a Republican Congress, men and women of both parties to do something that is good? Yes, I think so.

In this legislation, today we say to the American people we think education is critically important and we are going to not only invest in education in the bill we passed yesterday, we are going to provide significant new tax cuts to relieve the tax burden on families who are sending their kids to college. The effort that is made in this piece of legislation to value education is critically important because this country's future is in educating its kids.

Yesterday, we talked about expanding Head Start to a million new American children. That is a significant achievement.

Today, we say that families—45 million children in this country—will receive ultimately a $500-per-child tax credit, which I think will be a significant benefit to American families.

In addition to the significant achievements in education and the significant achievements in investing in jobs and other things, inducing savings and the things that, I think, have great merit for the future of this country, this legislation provides some specific things I want to mention just very briefly.

One, there has been a lot of controversy about estate tax reform. People say if you provide estate tax reform, that affects a small slice of people with an enormous amount of income. I come from a part of the country that is sparsely populated and losing population. My home county has 3,000 people living in an area the size of the State of Rhode Island. It used to be 5,000, but people are moving and leaving many rural areas. I want to do everything I can to encourage every family business and every family farm to be passed from parents to children, to keep operating and keep open and stay there in rural America, and this estate tax provision is going to be enormously helpful in doing that.

I might say that one other piece of good news in this legislation is parochial, but important, to people of South Dakota and North Dakota, Minnesota, and other disaster victims around the country. There is in this legislation several provisions that I had asked be put in that are going to be helpful to disaster victims. There are a number of provisions that say, because of disasters you are unable to file your tax return, and the IRS extends the time in which you are able to file a return—the IRS said, ''We'll do that, but we still must charge interest''—this waives the interest for taxpayers who were not able to file a tax return because their house and all their records are down the river someplace in a massive flood. That is a tiny little issue, but important, and I am very pleased that it was put in this piece of legislation.

The folks who were victims of blizzard after blizzard after blizzard in the Dakotas, Montana, in our part of the country, who had to sell cattle because they had no feed and now are going to restore their herd, this piece of legislation says you are not going to have to pay capital gains tax on the herd that you sold.

This piece of legislation has a very important benefit to livestock producers who were victims of the disaster in our part of the country. It overturns an IRS ruling, a tiny little thing, but it is going to affect tens of thousands of farmers. The IRS took a position a while back on what are called deferred contract sales that farmers have made routinely for years and years at the country elevator, that they were going to be taxable under certain circumstances. We have no idea where the IRS came up with that interpretation. It is completely wrong. They had no basis for doing that.

This legislation says to the IRS that you can't do that. Senator GRASSLEY and I, and nearly 60 of our colleagues in the Senate, joined and said to the IRS, ''Look, everybody in America has a right to be wrong, it is a democracy, but when the IRS is wrong, America pays. In this case, you're wrong, and we're going to change the law so you can't misinterpret what we write.''

Those are the kind of things in this piece of legislation that have great merit. Those are some of the smaller things I wanted to mention.

Finally, in closing, because I know other colleagues have things they want to talk about, I think this piece of legislation represents an awfully good instinct of the political system to get together and see if we can't do things together that represents a consensus that will be good for the future of this country.

We so often fight among the political parties to prevent the other side from winning that, instead of getting the best of what each has to offer, we get the worst of what both can offer. That makes no sense for this country. This piece of legislation is a credit, yes, to this President and the White House who worked so hard for it and proposed so much of this; it is a credit to Senator ROTH, Senator MOYNIHAN and so many others on the House and Senate side from both political parties who I think have done a commendable job. Would I have written it differently? Yes. Am I concerned about the outyears a bit? Yes. We need to put up fences to make sure we don't go back into a deficit situation.

We haven't finished dealing with the deficit. As my colleague from North Dakota, Senator CONRAD, pointed out, this is a unified deficit. We still have a Social Security problem we must deal with. I probably would have preferred to take even more benefits in this piece of legislation and provided it to working families, but I didn't write every piece of it, and this is a compromise. I also would have preferred to have some limit on the issue of capital gains. I support the capital gains tax treatment that exists, but I would have had some limit on it.

Having said all that, I am pleased to come to the floor today to say I can vote for a piece of legislation that I think advances this country's interest, and it rests on a bed of good news that comes from our colleagues who, in 1993, stood up and said, ''Count me in, let me vote for the first giant step in tackling this Federal deficit.'' And this next step, a bipartisan step which is good for this country, is one which I hope will give the American people a good feeling about their future.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. JOHNSON addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. JOHNSON. I yield myself such time as I may consume.

Mr. President, I rise to express my support for this legislation. I want to commend Chairman ROTH and the ranking member, Senator MOYNIHAN, and Senators LOTT and DASCHLE for their leadership. A great deal of good has come from the bipartisan cooperation put together to produce this legislation. I certainly will vote for it.

Much has been said by some about the historic nature of this legislation. Perhaps that is true. But I have to say, in following the comments of my colleague from North Dakota about the historic context of how we arrived at this point, that some observation needs to be made that the truly historic legislation that was passed was the 1993 Budget Act.

President Clinton inherited a hemorrhaging pool of $290 billion of red ink that was projected to grow annually when he came to the White House. His first step was to work with Congress to pass a 5-year budget plan that passed without a single Republican vote. At that time, I served in the other body. I remember the immense political pressure that was brought to bear at that time. I remember the 30-second television spots that followed, accusing every Democratic Member of having cast the deciding vote on something that would be catastrophic.

What happened? The $290 billion of red ink has now plummeted this year to an estimated $67 billion, perhaps as low as $30 billion. We now have the smallest Federal budget deficit relative to the size of our economy of any Western industrialized nation on Earth. We have a vibrant economy, high employment, low unemployment, low inflation, and we find ourselves now in the midst of a remarkable era.

This legislation is important legislation, but it will finish what we began in 1993 when we had a $290 billion deficit and brought it down to as low as $30 billion. This will get us from $30 billion to the finish line by the year 2002, a good thing to do, a positive thing to do. But the historic step, the politically courageous step, was taken 4 years ago.

Is this legislation perfect? No. No, it isn't. That is the nature of any legislation, particularly, I suppose, of a piece of legislation that is a product of compromise between very different approaches. I think some of the high-fiving that has gone on around town may be a bit unwarranted. I would say, however, that this bill has been made much better during the course of the debate. The initial legislation, the reconciliation legislation that we dealt with in both the House and the Senate, provided very little tax relief, essentially no tax relief, for families making less than $30,000 per year. There was certainly no child tax credit for these families.

Now, as I see it, this problem has been corrected, thanks to the leadership, particularly of the President of the United States, but also of Senator MOYNIHAN and Senator DASCHLE, and others who worked very hard on this. Take a family, for example, with an income of $23,000 per year, perhaps a teacher, a firefighter, a policeman, a farmer, a store clerk, any number of people across our country who get up every morning—they play by the rules, they try to raise their kids with decent values, they try to keep jeans and tennis shoes on their kids, they are doing the right thing, they are not on welfare, they are working hard, oftentimes with two jobs.

But wages, particularly in my State of South Dakota, are not always what we would like them to be. Farm prices are sometimes low. And these people, who are working their hearts out, oftentimes are living on very modest wages. And that family, with a father, in this case, who is earning $23,000 a year, and mom who is staying home with two kids, under the original bill and under the original Republican plan, would have gotten zero in child tax credit. Under the Clinton plan, they would have gotten $767.

Well, the dust has now settled, and under the conference committee bill that we are voting on today, that family will get a $675 tax credit, a very useful sum for those families. People can make a car payment, a house payment, they can get their kids started with clothes for school, they can do some positive things. And I think we need to reward work, particularly at a time when we are reforming welfare and essentially ending the guarantee of federal support of families. We need to focus on what more can we do, then, to make work pay. Certainly this improved child tax credit, along with augmenting the funds in this legislation relative to health insurance for kids, is a positive step forward.

It is true that this bill still has some unevenness to it. I have noticed that a group called Citizens for Tax Justice has an analysis out that indicates that the wealthiest 1 percent of American families will benefit by about a $16,000 tax cut because of this legislation. The average middle-class family will benefit by something less than $200. That isn't the kind of division that I would have made if it were up to me exclusively.

But nonetheless, I do see the need to balance the budget by 2002, provide some key relief, not only with the child tax credit, but certainly, in the case of education assistance, to provide a $1,500 tax credit for tuition, tax-deductibility of interest on student loans, and to expand Pell grants, not only the numbers who are eligible but also the size of the grants. That is investing in kids, and investing in the brain power of this country. That is really where we must make a commitment if we are going to compete in a global economy, not just now but for generations into the future.

I see positive things relative to agriculture. My colleague, Senator DORGAN of North Dakota, has gone into much of that. Capital gains relief for small businesses and family farmers will be helpful. There is also estate tax relief. Certainly, there are some targeted kinds of aid for those who have had to liquidate their herds. There is restoration of income averaging. There are a number of provisions that will be of great help. That I have to applaud.

I am concerned about the backloading of some of the tax reductions which has the potential consequence of making balancing the budget post-2007 more difficult. It would be disastrous for us to have gone through all of this and then find ourselves the year after balancing the budget, or only shortly thereafter, going back into red ink again because of backloaded or phased-in tax cuts that had negative consequences in the outyears.

That is something we are going to have to be very conscious of in the future. This is not a matter of turning the Federal budget over to automatic pilot and now we are home free. It is going to involve difficult, contentious, but hopefully bipartisan, annual debates about how to maintain equilibrium between our revenue and our expenditures while still using our budget for the correct priorities.

I think one of the key political issues in America over these last several years has been, how do we balance the budget? There is bipartisan agreement we need to do that. But how, at the same time, do we protect Medicare, do we continue to invest in education and protect the environment? How do we do it in a way that reflects the best of our values and our priorities in this country? Can that be done?

Some of us remember only a couple years ago when there was a proposal that would have arguably balanced the budget, but it would have decimated Medicare, it would have taken investment away from education, it would have been destructive to the environment, and certainly to rural Americans. Thankfully President Clinton vetoed that legislation. He said we can do better, we can do better with our priorities and still get to a zero deficit.

Thankfully, this legislation, for all of its warts and all of its shortcomings, does in fact get us that remaining $30 billion to $60 billion that we need to balance the budget, and it expands the number of kids who have access to health insurance. It will be helpful to small businesses and farms. This bill will increase the tax-deductibility of health insurance premiums for the self-employed to 100 percent, something long overdue. And it will, I think, help continue the economic growth that we have seen over these last 5 years where we have had 5 consecutive years now of deficit reduction and economic growth.

And so, Mr. President, I think that this is a positive piece of legislation. It is the product of bipartisan agreement. Thankfully, the President has used his leverage to make sure that we do in fact live up to these priorities and to bring some common sense back into this bill. The truly historic legislation was that of 1993, but this is important legislation. I support it.

I voted earlier for the budget portion of reconciliation. I will vote for this tax portion of reconciliation. I am proud of what our colleagues on both the Republican and Democratic sides have been able to do to pull together, to set aside some of the anger and some of the hostility that too often has characterized political debate in this country, and to spend a little less time being Republicans and Democrats and a little more time being Americans.

I think that is what the American people really want. And they want to see an end result that reflects the best of our cooperative efforts. This legislation does, I think, take us down that road.

So, Mr. President, while there are things I would have done differently, and while we do need to understand the historic context of how we arrived here, this is good legislation, and I yield the floor expressing my support for this bill.

Mr. CHAFEE. Mr. President, under our order, we are now going back and forth. Senator HUTCHISON was next, and she was here just a minute ago. And I believe she is coming on the floor now. So I ask Senator HUTCHISON, are you ready to go?

Mrs. HUTCHISON. I would be happy to yield to my colleague from Minnesota who I think was here first, and then if I could follow after the next Democrat.

Mr. CHAFEE. It would then go back over to this side— Senator BAUCUS has been waiting—and then back to you.

Mrs. HUTCHISON. That would be fine.

Mr. CHAFEE. I yield to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. GRAMS. Thank you very much. I want to thank my colleague from Texas for yielding.

Mr. President, I came to the floor yesterday to discuss in detail my strong support for the Taxpayer Relief Act of 1997. I do not intend to repeat the arguments I made then, but I do have just a couple of other points I think need to be made.

When my good friends, Senator HUTCHINSON of Arkansas and Senator DAN COATS of Indiana, and I first proposed the $500-per-child tax credit back in 1993, we were not doing it to grab headlines and it was not a piece of cheap political theater. We pursued the $500-per-child tax credit because we believed that working families are horribly overtaxed. And how did we know that? Because the American people told us so.

Americans are by nature a very giving and generous people. For a long time, they did not complain—at least too loudly—that their tax burden seemed to be rising every year even though they were not seeing any improvements in Government services. If anything, their tax dollars seemed to be buying less and less. But when taxes reached the point where working Americans were spending more of their hard-earned money feeding the Government than they were spending to feed, clothe, and shelter their families, well then, the taxpayers started feeling as though their generosity was being taken advantage of. They began demanding that the Government stop spending their dollars so recklessly. They began asking for tax relief, so they could start meeting the needs of their own families, instead of feeding Washington's mixed-up priorities.

So what do working families want from their Government? Well, let me first tell you what they do not want.

America's working families do not want handouts.

They do not want more government agencies or programs.

They do not want their tax dollars feeding bigger Government.

They do not want the Government to intrude unjustly into their daily lives.

They just want to go to work to make a good living, have a decent place to call home, and to have the opportunity to provide for their children. And they want to keep a little bit more of their own money at the end of the day. That is what this package of tax relief will deliver. For my home State of Minnesota, the $500-per-child tax credit at the heart of our legislation adds up to at least $300 million that will stay in the hands of families every year. More than 700,000 middle-class children will benefit. That is what families have told me they want, and that is what we are on the verge of delivering.

It should not be an occasion to celebrate when politicians actually keep their promises. That is how the process ought to work. But we all know that Washington has gotten pretty good at making promises, but too often fails miserably when it comes time to keep some of those promises. But, today, Congress is delivering on what I consider to be an irrevocable promise we made to the taxpayers 2½ years ago. Send us to Washington, we said, and we will cut your taxes. That is not a political slogan—that was a promise.

Now, let us not kid ourselves—our package of tax relief is not going to make anybody rich. As tax cuts go, it is pretty paltry. The net tax relief amounts to less than 1 percent of all the tax revenue collected by the Federal Government over the next 5 years. It begins to roll back the President's 1993 tax increase, but we would have to pass a bill three times bigger than the one before us today to wipe out the 1993 increase completely. It is an important start, however, in moving the Government in a new direction.

Relying on a radical philosophy of faster, better, cheaper, NASA launched the Pathfinder probe and successfully—and dramatically—opened a new era of exploration on Mars. The return on that investment has gone far beyond anything that can be totaled up on a balance sheet. I would like to see the same philosophy of faster, better, cheaper applied to the rest of Washington as well, for a payback I believe can be equally as impressive. A faster government has fewer layers of bureaucracy, so that it can more quickly meet the needs of the people. A better government is responsive to its citizens and responsible to its taxpayers. A cheaper government needs fewer dollars to carry out its work, opening the door to future tax cuts that leave even more money in the hands of the taxpayers.

Faster, better, cheaper is an idea that worked on Mars. It is an idea that ought to work just as well here on Earth.

To paraphrase a favorite quote of mine, Mr. President, politics are temporary—but the American family is permanent. Enactment of the $500-per-child tax credit is a great victory for families, one I believe will help bring them together, and hopefully keep them together. I am proud that I can go back home this weekend and tell the working families of my State—who for years have watched their taxes rise and their take-home pay shrink—that Washington finally got the message. We are at last going to cut their taxes, not because it is the politically easy thing to do, but because it is the right thing to do.

Again, I want to thank and commend the majority leader and my colleagues, the chairmen of the Finance and Budget committees, for having the determination to bring the Taxpayer Relief Act to the floor. This is a great day in the history of the Senate, and it is also a day that I am proud to be a part of.

Thank you, Mr. President.

I yield the floor.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I yield myself such time as my side is allowed to consume.

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

Mr. BAUCUS. Mr. President, I think that the American people essentially want us to do the right thing. They care less whether it is the Democratic policy or the Republican policy. They care less whether it is conservative or liberal. Essentially, they say, ''You folks back there in Washington, come together, do what's basically right, what's within the realm of reasonableness. Just get your job done. If you do that, you're doing a pretty good job.''

Mr. President, I think that is what happened here. We Democrats like to claim lots of credit for this legislation. A lot of us talk about the 1993 Deficit Reduction Act, which I do think is the cornerstone which led to declining deficits and allowed the American economy to begin to prosper, interest rates dropped, with inflation rates lower, unemployment rates lower, et cetera. Republicans like to claim that, oh, no, they are the ones that basically did all this. After all, they are the majority party in the Congress right now.

But the truth of the matter is that it is the combination of both sides working together to reach this agreement. And even more truthful, we have a big assist, and that is the national economy. The economy is doing very well. We all know that. And that enables President Clinton to negotiate with the Republican majority in the Congress, and with all Congress for that matter, an agreement which makes most people pretty happy. That is, it cuts taxes. When the economy is doing very, very well, the U.S. Government is bringing in more revenue than it usually does, and it is easier to cut taxes. That is what we have done here. We all like to have our taxes cut.

Second, there are additional spending programs in here. One big one is education, which is very needed in America. We must invest more in education. All of us know that. If we are going to compete with countries around the world and we are going to increase the quality of living for all of our people, it is critical that our young people get a better start and a better education. We spend quite a bit of money in this bill on education, whether it is direct spending or tax credits.

So the economy has helped us very much. I wonder where we would be today, Mr. President, if the economy were not doing well today. Would we be balancing the budget as quickly? Would we be working as well together? Would there be as much peace and harmony on both ends of Pennsylvania Avenue? I see the occupant of the Chair shaking his head in the negative, and I agree; we would not be doing as well. The economy gave us a big boost. We are here, in some respects, because of that.

I, like most Members of this body, support this conference report. It does do basic things which are important. No. 1, it moves us toward a balanced budget. We are going to have a balanced budget at least by the year 2002. My guess, Mr. President, is that we will probably reach a balanced budget before the year 2002. In fact, the projected budget deficit for this year is to be as low as $50 billion. So we will balance the budget. We will be living within our means. That is no small matter.

We also have tax cuts which help small businesses and help families around our country and help the country generally. That is good. This bill also keeps hospitals and clinics open in rural America. I mention rural America because my State tends to be rural, and we have been working for many years to be sure that we have quality health care in our part of the country, as well as in the cities.

This will also help make sure America's children have health insurance. Not too long ago, we passed the Kennedy–Kassebaum bill, which would disallow preexisting medical conditions as a condition for denying insurance to insureds. That helped to buy more health insurance for programs. We also allow for something called portability; that is, if a person has health insurance, he can carry it to his next job. We Americans don't have the world's best health insurance program. Other countries insure their people a little bit better than we do. But the one area this bill addresses is health insurance for kids, which is very important and critical. All of us here are very happy for that.

The bill has some drawbacks and I will address a couple of them later on. By and large, the benefits far outweigh those drawbacks. Let's start with the good news.

As work on this agreement began earlier this year, I set a few basic priorities for myself by which to judge the final result of this bill. One was that this bill must balance the budget, it must help small businesses, and it must promote education—those were all priorities of mine—and, finally, it must be fair; that is, the distribution effect of this bill must be fair to all Americans. On the whole, I think this agreement reaches those criteria.

First, we will see a balanced budget by the year 2002. It might even be earlier. But to be realistic, this bill deserves only a bit of the credit. I believe that the 1993 budget bill made the real tough choices, and that was the bill that began us on a glide slope toward a balanced budget. It was a tough bill. We took some tough medicine back in 1993. But that laid the foundation for where we are today. It brought us from a deficit of $290 billion in 1992 to a deficit of perhaps just $35 billion this year. So we started this effort with most of the work already done. This is just a small finishing-up effort on that 1993 bill. I must say, a booming economy is helping us as well.

Second, this bill goes in the right direction on taxes. That is, it lowers taxes. Overall, it will cut taxes by $90 billion over 5 years. That is not a revolutionary change, but it is significant, and it is going to help make a difference to some people. Particularly, the $30 billion in education tax credits is going to help families send their children to college. That is going to help.

By cutting the estate and gift tax, we will help farm families, small business owners, and ranchers all across our country keep their land and their businesses and their operations in the family. That is very, very important to the people in the State of Montana. We have a lot of farmers and ranchers who have virtually no return on their investment, virtually no cash flow, but their land values are accelerating because some people are moving to Montana—wealthier people—which are pushing up land values.

Relief in Federal estate and gift tax is critical. We phase in 100 percent health insurance for the self-employed, and that means a lot to small business people, self-employed people who can't take nearly the same deduction in taxes and health insurance they pay compared to people who work for big companies. Generally, in America, the more you work for a large corporation, the better your health insurance policy, because your employer takes the full deduction for the health insurance policy. If you are self-employed, you don't get that; you have to pay for it all yourself. We began a couple of years ago to phase in a deduction for the self-employed. This legislation will bring that to a full 100 percent, albeit over the next 7 years.

A capital gains tax reduction is very important. That should help savings and investment in our country.

With respect to health care, this agreement also means significant accomplishments, essentially by providing $24 billion for health insurance and services for working children. This is $8 billion more than the original plan, and it is paid for with a cigarette tax that will create its own health benefits by reducing smoking.

We also set up a new limited-service hospital program, modeled on the Montana Medical Assistance Facility, or MAF's, which allows hospitals to keep their doors open in small towns. The MAF is a proven success in many communities like, in my State, Circle, Culbertson, Big Timber, and Ekalaka, and this agreement will make those MAF's permanent. This will also slow a two-decade-long trend that has closed nearly 10 percent of all rural hospitals.

We also allow rural family practice residency programs that are just getting started to expand. That is very important. Montana's two residency programs, one in Billings and other in Glasgow, are critical to attracting doctors to our State's rural communities. It makes sure that rural areas get fairer managed care payments from Medicare compared to the big urban areas.

And not least, we objected to proposals in the last Congress to make large cuts in Medicare and abolish Medicaid's guarantee of health insurance for poor people.

But the agreement is not perfect. I would like to note four areas where I think it falls short.

First, it contains many special interest tax provisions. This means a much more complicated Tax Code and more tax advantage to wealthy people and big companies who can hire large numbers of lawyers and accountants. This tax bill makes our Tax Code much more complicated, unfortunately. We should return to this issue in the future and work to simplify the Tax Code and eliminate loopholes.

Second, it includes unreasonably tough cuts in Medicare and Medicaid reimbursements to health care providers. These reimbursements make up an average of 55 percent of Montana hospital revenue. And the smaller facilities, with under 30 beds, already are collecting, on average, over 4 percent less in revenue than their costs. It is tough to squeeze these facilities any further.

Third, it misses a chance to improve our national transportation infrastructure. I, with Senator WARNER, and 80 other Senators, requested extra money for highway and transit construction. That money would have meant safer travel and a more productive economy. But this agreement does not have that.

It does move the 4.3-cents-per-gallon motor fuel revenues from the Treasury to the highway trust fund. But for accounting reasons—that is, the lack of an offset—that is only phantom money. It will not mean any real change in the highway and transit budget, and I regret that. I alert my colleagues that when we take up the transportation bill after the August recess, we are going to realize how much we regret that.

Finally, this bill ducks some of our long-term fiscal challenges. As we look 15 or 20 years ahead, we know Americans will live longer. So the bills we pay for health care and pensions for older men and women will be much higher than they are today.

With the healthy economy and a good fiscal situation we have today, we could have taken some steps now to ease the problems this situation will cause the next generation. This agreement doesn't take those steps. It is a missed opportunity. I wish we had taken this opportunity.

But on the whole, this is a reasonably good effort. It does balance the budget. It helps small business and families. It makes sure America's children have health insurance, more than today. Those are very important things for our country, and we ought to get them done. So I support the agreement, and I urge my colleagues to do the same.

I might say at this point, Mr. President, how much I appreciate the bipartisan efforts, particularly of the chairman of our committee, Chairman BILL ROTH, who worked very, very diligently to help make sure that both sides of the political aisle worked well together. That doesn't always happen in this body. There are some committees where that doesn't happen much at all. But Chairman ROTH, chairman of the Finance Committee, did work very hard to bring both sides together, and I think that is one reason we are here today finally with this bill.

I yield the floor.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER (Mr. GORTON). Who yields time?

Mr. CHAFEE. We yield such time as the Senator from Texas requires.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mrs. HUTCHISON. I thank the Chair. Today is a historic day. We will vote and pass the first substantial tax cut in 16 years, giving much-needed, long-overdue tax relief to working American families. We have been working for tax cuts for 3 years now, and we are making a downpayment on that commitment.

I view the bill that we are debating today as the second half of an entire economic package. We passed the first half this morning. I was a somewhat reluctant supporter because, while it does take steps toward a balanced budget, we missed the opportunity for historic Medicare reform that would have created real consumer choice and preserved the program for the next generation. The Senate spoke on this issue. But the President's opposition to real Medicare reform prevailed in the final version.

He also walked away from some very important decisions we made last year on welfare reform. We have hampered the ability of States to implement the welfare-to-work law. The President has already denied States, including Texas, the ability to privatize and consolidate welfare services. In Texas alone, such consolidation would yield annual savings of some $200 million. The President's continued opposition to true welfare reform carried the day.

Mr. President, I did support the bill this morning because it is linked to the tax cuts we are now discussing, and it does bring us closer to a balanced budget. The tax bill is long overdue relief for hard-working American families. Republicans took the majority of Congress with a very clear mandate to make Government smaller, control spending, and let hard-working Americans keep more of the money they earn.

We are trying to live up to that promise. We passed a budget plan that will lead to a balanced budget, and now we are succeeding in providing substantial tax relief for all Americans.

Who will benefit from this plan? It is the mothers and fathers who will get help raising their children with a $500 per child tax credit; homemakers who want to build retirement systems through an IRA; young couples who are trying to buy a first home, pay for college for their children, or retirement for themselves; small business owners and farmers who have spent their lives building a business or farm and want to pass it to their children; investors who have provided the capital to start new businesses and create jobs.

A $500-per-child tax credit will mean over 3.5 million families will no longer pay taxes at all. Instead of writing a $500 check to the IRS, families will get to keep the money they earn and spend it as they decide to spend it. Americans really do not need the U.S. Government to tell them how to spend their money. I think they should be able to choose for themselves. American families know best whether they need to spend money on their children, or save it for retirement, or enjoy a vacation. The Government shouldn't take that money and make their choices for them. In fact, with this tax cut, roughly 28 million families will pay fewer taxes. In my home State of Texas the child tax credit alone will benefit almost 2 million American families.

With the passage of this bill, we will cut the capital gains rate to 20 percent. This will encourage and reward investment and create new businesses and new jobs. A low capital gains rate is important to our future and our Nation's ability to save and invest. Our current Tax Code punishes people for saving and investing. This is wrong. We are trying to change it.

Lowering the taxation of capital gains will do more than release hundreds of billions of dollars of tied-up capital. It will bring immediate relief to investors, small businesses, workers, farmers, homeowners, and the elderly. We need to encourage investment so that we can generate the technology, the market, and the jobs of tomorrow.

Today, more than 41 percent of American families own stock. Fifty-six percent of capital gains are reported by families who earn under $50,000. Two-thirds of mutual fund shareholders today in America have household incomes under $75,000. Fifty percent of those who claim capital gains are senior citizens, many of whom need this money to improve their quality of life.

In the livestock industry in Texas, over 60 percent of those polled recently admitted to holding onto assets because they couldn't afford to give Uncle Sam 28 percent of a capital gains tax.

We cut death taxes so that years of hard work and success won't be wiped out in one generation. According to a recent survey, 51 percent of family-owned businesses would have significant difficulty surviving in the event of a principal owner's death, due to the death tax. The death tax brings little revenue into the Federal Government—only 1.1 percent in 1997 of all of the Federal revenue. But it does affect hundreds of thousands of small business owners, family farmers, and ordinary Americans who work, save, and invest for a lifetime, just to turn more than half of their hard-earned dollars over to the Federal Government when they die.

Mr. President, this is walking away from the American dream. What we have said for over 200 years to people all over the world is, if you come to America and you work hard, you will be able to keep the fruits of your labors and give them to your children to give them a little better start in life than you probably had.

So walking away from that American dream is what we are trying to prevent today by having some relief in the death taxes that people have been paying.

What does this mean for homemakers? We build on the progress that we made last year in giving for the first time the homemakers of our country the ability to save for their retirement security. This time we are adding to that by allowing the full deductibility of that $2,000 regardless of what the spouse earns or has in a pension.

How big are these few changes? Let me just give you an example.

Under the old law, a single-income, married couple saving $2,250 a year—which was their maximum—would have, over 40 years, starting at the age of 25, when they are 65 approximately

$629,000 in their retirement nest egg. But today, because of the bill we passed last year, and this bill combined, after 40 years of setting aside the $4,000 that they will be able to earn tax free, this couple will have $1.119 million in their nest egg, an increase in savings of almost $500,000.

So, Mr. President, when you put this together with the death tax relief we are giving, you can really see that we are making a difference for ordinary Americans. Economic growth does result from lower tax breaks. History shows us that expanded opportunity and prosperity flourishes under such conditions.

These are the foundations for our democracy. As a result of the passage of this historic bill, Americans will be keeping more of the money they earn in their pockets.

Sometimes I hear debate on this floor when people are talking about these tax dollars as if it is Federal dollars. Federal tax dollars belong to the Americans who earn them. We want Americans to keep the money they earn rather than having to send it to Washington for someone here to make a decision for their families.

We are going to create new jobs, new investments, lower interest rates, lower home mortgage payments, lower car payments, lower student loan payments, and higher income for working Americans.

Mr. President, it is not everything we hoped it would be. But it is a significant downpayment for the hard-working American families. That is something that I hope we can add to as we look toward the future going into the 21st century. Hard-working Americans should be able to realize the American dream of working hard, doing better for their family, and being able to give their children a start that maybe they didn't have.

That is what this bill will start the process of doing for American families. I hope we can continue to work even harder for them in the future.

Thank you, Mr. President.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. BREAUX addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Rhode Island yield to the Senator?

Mr. BREAUX. Mr. President, under the previous agreement, I guess on the Democratic side, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. BREAUX. Mr. President, my colleagues, it has been interesting to hear all of the various Members of the Senate come to this floor and talk about the product that is before us. We have had a few people who have expressed concerns to the extent that they cannot support the agreement that is now before the Senate. I think that is unfortunate.

I remember, when I first came to the House of Representatives, I read a book that was written by Lawrence O'Brien, who had been in the service of both President Kennedy and President Johnson as the head of congressional relations. The title of that book was ''No Final Victories.'' The gist of the story that he was trying to convey was simply that in this business of governing, in this business of politics, there are never really any final victories. There are a whole series of small steps that are taken, small accomplishments and small achievements that are reached. But there is really never any final victory because the job is really and truly never done.

When I look at the package of spending cuts and the package of tax reductions that we have before the Senate this week, I am really reminded of that whole theme and thesis of Lawrence O'Brien in ''No Final Victories.'' Because if you ask a question, Is this a perfect package? the answer, obviously, is no. If you ask the question, Should we have done more? the answer is obviously yes. If you ask the question, Are you disappointed and discouraged that things that you worked on are not in this package? I would say, absolutely. Discouraged and disappointed in some areas, yes. But defeated, no. Because I think on balance these agreements that are now before the Senate are major achievements. They are major steps in the right direction. The work is not yet finished. There is a great deal more that needs to be done. But we have, I think, set this country on a course and moving in a direction which is the correct one for all of us.

One of the things that I am so encouraged by is the fact that we were able to do it in a bipartisan fashion. The vote in the Senate of 80 to 18 and the vote in the Senate of 72 to 27, I think, on spending cuts and tax reductions is in fact a major accomplishment. These problems are too difficult and too serious for one party to be able to do by themselves. The only way we are ever going to be able to reach these agreements that put us on the path of really reforming the Government is to do it together. I think that where we worked best was when we worked with both sides trying to meet in the center and trying to cooperate in a fashion that could really bring true reform to this institution.

The disappointment that I see in the bill is that we missed, for one, an opportunity to really reform Medicare. I think that what we essentially did was to follow what I call the SOS premise —same old, same old. We essentially looked at Medicare and said, ''Well, we have a lot of problems with it and we all know it is going to go bankrupt and insolvent at the end of the year 2001. So let's appoint a commission to try to recommend to Congress what we already know needs to be done.''

I stand here with a great degree of pride and am so pleased that our colleague from Rhode Island, Senator CHAFEE, is on the floor with us today because some of the things that we all know need to be done we already did when we worked together in the Centrist Coalition in the last Congress and recommended some real strong, difficult things that needed to be done with regard to the Medicare Program—which was offered by our group, a bipartisan group equally divided in the last Congress, when we took on the tough recommendation of means testing for wealthier seniors to help contribute more to ensure that the program is going to be there for their children, for their grandchildren, and for their great grandchildren.

We needed to recognize that people live longer. So we took the position of recommending a gradual increase, I might add over the next 30 years, in the eligibility age for Medicare recipients merely reflecting the increase in life expectancy of all of our citizens, which is a very good thing to do. We also made tough recommendations, I think, in trying to bring about more competition in the Medicare System. But basically those ideas and those concepts, which got 46 votes on the U.S. Senate floor in the last Congress, were dumped in the conference, dumped not really on the merits but because we needed more political cover.

What is the political cover that we have decided upon? Well, it is ''same old, same old,'' let us appoint a commission. I would love to serve on the commission, quite frankly. I would love to try to make the recommendations that are needed for us to be able to take the action that is necessary. Unfortunately, while the commission will prepare a report by March 1999, Congress does not have to act on any of their recommendations. We can just say: Thank you. It's been a wonderful opportunity to hear what you have to say, but we don't have to do anything about it.

I think my colleague from Nebraska said: Wait a minute; we already had a commission. I served as a cochair of it. We have already made these recommendations. Why do we need another commission? Why do we need a commission at all? Why doesn't Congress act as a commission?

You know what. Maybe the answer is that we can designate ourselves a commission, and instead of calling ourselves the U.S. Senate, we will call ourselves the U.S. Commission and then we can make the same recommendations that we have already made and act on it and say, well, the commission made the recommendation to get the job done that way.

But I think we have missed an opportunity, and that is unfortunate. If we can't do it this year, it is going to be difficult to do it in an election year. I am always amazed that everybody tells us to fix it. How many times have we heard seniors and others tell us to fix Medicare. They say fix it but don't increase the premium; fix it but don't increase the age of eligibility. I have said several times before, if not now, when?

When are we going to do it? And if not this, what? And if not us, who? Someone has to take the actions to do the things that are difficult and make the tough decisions needed to fix the problem.

What is going to happen when we wake up on December 31 in the year 2007 and we still haven't acted on the recommendations of the commission and we need to do something to fix a program on the brink of insolvency again? What kind of an answer are we going to come up with in an emergency? It is far better to try to do this at a time when the economy is good and people are working together in a bipartisan spirit.

So the fact we have another commission which succeeds the last commission which succeeds previous commissions is certainly not an act of courage. It will not make a chapter in the next Profiles in Courage book that is written about what we have done in the Congress, and that is unfortunate. But I say that because we should not let the perfect be the enemy of the good in the sense that we will never be for anything unless it is perfect. While this is not a perfect package by any stretch of the imagination, it is a good package. It is one that merits our support. As long as we know that this package, the tax cut and the spending cuts and what we have done in Medicare is not the final answer but just a beginning, I think I would say this to our colleagues who have worked together on this: At least we have paved the road to make it easier for future Congresses to reach tough conclusions and make tough decisions that are really necessary to save Medicare.

So I support the tax package and commend Senator ROTH and Senator MOYNIHAN for doing something that has not been done in a long time, maybe since the days of my predecessor, Senator Russell Long, on the committee, when both sides were able to say, all right, we are different parties but we are all Americans and we need to ultimately work together if anything is going to be done.

I always take the position that in politics it is better to get something done and then fight over who got it done, rather than to get nothing done and then blame the other side for failure. I am glad that the Finance Committee was truly able to work together and get something done in a bipartisan way. Now we can go fight about who got it done. But at least we got something done for the American people. We did that in this Congress. We did that with these bills. We made tough decisions both in taxes and in spending. I hope that one day in the not too distant future the rest of the Congress will be able to act in an equally bipartisan fashion and get the rest of the job done.

I yield the floor.

The PRESIDING OFFICER (Mr. SMITH of Oregon). Who yields time?

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. I would like to take this opportunity to publicly thank and acknowledge the tremendous work of the Senator from Louisiana in connection with the Medicare reforms that we undertook. No one was a stouter soul in that effort to face up to what had to be done if we are going to continue to have Medicare. It was the Senator from Louisiana who joined in leading the effort, in having the means testing in the part B premium and raising the eligibility age to 67 and having a copayment, a payment for the home health care visits, of 7 percent.

I share the disappointment that the Senator from Louisiana has voiced in that these elements we worked on did not survive. But I see others here. The distinguished Senator from New York was right in the lead in these efforts. All I can say is, disappointed though we were, despite the overwhelming vote that took place on the floor of the Senate on both the means testing and the raising of the eligibility age, up or down votes—one got 70 votes, the means testing, 70 to 30, and the other got something like 62 to 38, in that neighborhood, over 60 votes, in raising the age to 67—they didn't survive the conference because of objections from the other body.

But this is what I want to say, Mr. President. Disappointing as that was, nonetheless it showed that it could be done, and now it is an accepted fact in this Senate that all three of those elements are necessary, and the votes are there to sustain them and make them part of any further legislation.

So now we have a commission, and as was pointed out, there is no reporting date for the commission. There is no fast track consideration for the commission. I may be wrong in the reporting date.

March 1, 1999, I am informed. Well, it is not exactly tomorrow. However, there is no fast-track procedure; in other words, that it has to be considered, has to be voted on up or down, one way or another. It could be like so many other commissions we have had in this body.

Mr. President, disappointed though we might be in those particular facts, those particular undertakings, nonetheless we have made some substantial achievements in having them so accepted here.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Might I simply join my friend and old colleague on the Finance Committee in his remarks commending the Senator from Louisiana. Typically, he did not mention his own work, his own role in this—it was indispensable—to have a unanimous Finance Committee in these matters and to make a point. It had been assumed there would be a storm of disapproval for what we did. There was none. There was none. The usual interest groups wrote the usual letters and the usual people took them too seriously. But a day will come when we have learned from this experience because it was an event.

I thank the Senator.

Mr. CHAFEE. I thank the Senator.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. I yield to the Senator from Indiana such time as he requires.

Mr. COATS. I thank the Senator.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. First of all, I wish to associate myself strongly with the remarks of the Senator from Louisiana and Rhode Island and the Senator from New York relative to entitlement reform. I spoke at length on it yesterday, and I will not repeat all those remarks. It was with great sadness and disappointment we came what I think is as close as we have ever come in this Congress to addressing the fundamental reforms, structural reforms that need to take place in our entitlement programs, particularly Medicare, if we are going to ensure the long-term viability of that program, which I think we are all committed to do, and if we are going to prevent a crisis situation in which we will not act perhaps in a rational, reasonable manner but address it under the threat of massive underpayment or massive deficit in that program.

It is interesting to me that in the Chamber just a moment ago were two Republicans and two Democrats, probably covering the ideological spectrum within our respective parties, all speaking in favor of entitlement reform. So I am hopeful that we are at least moving in the right direction. The Senator from New York said that even though we expected a firestorm of political opposition, it wasn't heard. It wasn't heard because the American people need to be given more credit for understanding the nature of the problem and the solutions to the problem than we give them credit for.

There might have been a time politically when retribution would have been rendered across the spectrum for anybody who even breathed the idea that we ought to change Medicare. But today even senior citizens understand that this very important program cannot maintain its viability unless some reasonable changes are made, structural changes are made, in the current program in the way it is currently operated. Younger people understand, and if you ask them today whether or not they think there will be a viable Medicare Program for them when they retire, an alarmingly high percentage say, no, I don't; I think the payroll taxes that are being extracted from my paycheck are going into a fund and I will never see the benefits.

So I share the disappointment of our Members in terms of coming so close and yet not succeeding at this important time. I made the point yesterday that during difficult economic times, when unemployment is high and deficits are running high, we say we can't make these changes now because it will result in too much economic dislocation. Here we have the best of times. We have never had a more favorable time economically and politically in which to address these questions. Our economy is humming along at a rate that none of us anticipated, pouring revenues into Washington—which we are giving some back with this tax cut—which were reducing the deficit, which is what we need to do. We are balancing the budget. We are the recipients of very good economic fortunes. And we have in place politically an administration that doesn't have to stand for reelection, a Congress that has already gone on record in support of entitlement reform. It just seems as if all the political stars and economic stars are lined up and that this is the moment.

I hope these good times last. I hope these good political stars continue to line up in a way that we can accomplish this. But I think those who have experienced some years of history understand that the good times do not always last, that we will be facing different circumstances in the future, and we may not have the pieces in place to accomplish this. We do not need another commission. The Senator from Louisiana is absolutely correct. We have had commissions. We have had studies. We have more information than we know what to do with. We have educated the American people. The seniors understand. The young people understand. Everybody seems to understand. Unfortunately, we always come down to the point of not now; let's do it after the next election. Let's get past this next period of time. That is, indeed, unfortunate.

Today I want to focus the remainder of my remarks, and they will be brief, on the continuing effort to bring tax equity to families. This is a process that began in the 1980's. I was pleased to be a part of that, leading the effort in the House of Representatives along with my colleague Jack Kemp in pushing for family tax relief. We were able to double the personal exemption, the first major adjustment in the amount of tax relief that families get for raising children since the inception of the dependents deduction in 1948. We continue that now with this bill. I introduced the child tax credit in the Senate in 1992 as part of my families first legislation. I was joined by then Congressman ROD GRAMS, now Senator GRAMS from Minnesota. As he was my compatriot in this in the House of Representatives, he has continued that leadership in the Senate. I am pleased to have worked with him in that effort. This is a culmination of a long effort to readdress the imbalance that exists within the Tax Code in terms of family tax relief.

Many people have fought for it, and I commend those who have worked so hard to achieve this. A disproportionate share of the tax burden on families has been a problem in both good economic times and bad economic times. It has increased over the decades even as the cost of raising children has increased. The Tax Code has been a symbol in the past of public indifference to the challenge to families, and this tax measure today is a symbol that our thinking and our actions are finally changing. Clearly we are beginning to understand that a dollar spent by families is far more helpful to children and compassionate than any dollar spent by the Federal Government.

In 1997, Americans will work until the middle of May just to earn enough to pay their tax bill. Most families must have both parents working, one to provide for the family, one to pay taxes to the Government. In fact, families today spend more in taxes than they do on food, clothing, and shelter combined. The evidence is overwhelming. The facts are no longer contestable.

The answer is to return public funds to the people and not to funnel them through the Government. The child tax credit is a tangible achievement for the people of every State. In my State of Indiana, the $500 child tax credit will give over 850,000 Hoosier families representing 1.1 million Hoosier children an average of over $80 a month extra money for family income. I am as proud, I think, as anything else that I have done in this body, to be a part of this effort to restore equity to families, to give them the ability to retain more of their hard-earned dollars to help raise their children and pay for the costs of raising those children. It is the most immediate practical form of compassion I can imagine, allowing them to spend their own money on their own needs.

Mr. President, I have walked the Halls of Congress for nearly 20 years, and I have watched the high-powered lobbyists gain funds for special interests and for powerful groups. There have been those who have stood up over the years for the interests of families. But, thankfully, over time, those numbers have changed. Today they include the leadership of Congress in both parties. The largest portion of relief in this tax bill, 56.2 percent, goes to families, and that is an achievement in which we can all take pride.

I yield the floor.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President I believe the distinguished Senator from Louisiana would like to speak at this point. She can have as much time as she would like from our time.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. Mr. President, I appreciate the opportunity to share just a few remarks about this important budget reconciliation and adoption. I first thank and congratulate the leaders on both sides of the aisle, to the chairman and to our ranking member of the Finance Committee and the Budget Committee, for all of their hard work and leadership. Nothing of this magnitude is accomplished without good, strong, well informed leadership. I think we have it in our leaders here.

This bill is not everything that I hoped for. It is not everything that any one individual Member would have wanted. And it is not perfect. But it is a good bill. It is a good start to getting our fiscal house in order. Getting our fiscal house in order and making sure we are spending our money wisely, saving where we can and giving tax relief, is something that I personally feel is supported by the vast majority of Americans, regardless of party, and so many people in Louisiana feel this way. On these difficult problems, such as balancing the budget, neither party can get the job done by themselves. It is going to take both parties to get the job done in the right way for the American people.

I am very proud, though, of a couple of points in this bill. Again, I show the Meyers family from Shreveport. Because of the good work that we did here in the Senate, and with the leadership of the President—and I will say many of the Democrats supported the expansion of this $500 child tax credit to hard-working, not welfare but hard-working middle-class and moderate-income families—this family, Lois and Scott Meyers, of Shreveport, will be able to take part in the $500 tax credit. Families with earnings up to $110,000 will be able to benefit, which, in Louisiana, covers just about all of our families. The household incomes of 95 percent of our families are under $75,000. So the work that we did, and the fight to make this child credit available to working families like this, I think is something we can all be very proud of.

Mr. President, 46 percent of Louisiana taxpayers earn less than $20,000 a year—not get less than $20,000, they work hard and only get $20,000 a year. This will really help almost 50 percent of the families in my State and that of Senator BREAUX, and we are happy for that victory.

I also want to say how pleased I am to see our first step, but I hope not our last step, in providing health care to uninsured children. Again, these are children who are of working families, whose parents have jobs—sometimes not just one, sometimes not two, but three jobs—and are still without health insurance for their children. We could, as a country, make no better investment than providing critical health care to zero to 3, zero to 6—helping children to develop in ways that will save us all, as taxpayers, millions and millions of dollars down the line for other expenses like criminal justice or special education. I am looking forward to working with my State leaders to design the kind of health care program for them that is cost-effective, quality oriented, child centered and family centered. I am looking forward to that.

I also want to say how thrilled I am about the investment in education. Because, really, with President Clinton's lead, we have now invested more money in education than since President Johnson was in the White House. Why is that important? It's important because our country doesn't have a future if our children and our workers are not well educated and well trained, to take advantage of the jobs and challenges that the next century will hold. So the Hope scholarships, the Pell grant expansions, and the student loan deductions, I think, are excellent provisions, to say we believe in education. It is the foundation of our economic development plan for the Nation and we are going to put our money where our mouth is.

Let me also say to my senior colleague from Louisiana, who worked so hard on expanding the IRA, I have heard many of our colleagues say that giving people money to spend is what it's about. I do believe people can make good choices about the way they spend their money. But I think the real need is to encourage people to save their money. Our savings rate in this country is much lower than it needs to be. If we can encourage people to save for the right things—to purchase a home, for catastrophic health care needs, for education to improve their productivity and to give hope to their children—that is really what this is about.

I thank the members of the committee for fighting hard for expanding IRAs. It is important to people everywhere, and very important to people in Louisiana.

Finally, just a word on the estate tax and small business and farmers. We believe, on this side of the aisle, and there are many on the other side who thought it was important, if a grandmother, grandfather, great-grandfather built a farm on the sweat of their brow, invested in their land, invested in their equipment, they should be able to pass that farm down to the next generation without having to sell off the land or sell off the equipment to pay the taxes to our Government. We heard that. We have responded, and we have now given a tax incentive to be able to pass those small businesses and farms on, to people in our country.

Mr. President, I thank you for the opportunity to address the body, to say this is not a perfect bill but it is a very good step toward getting our fiscal house in order, to providing much-needed tax relief to hard-working, middle-class families in our country and to making the kind of investments that are going to make our country even stronger and more productive in the future.

On behalf of the Meyers family, to the 236,000 children that will be able to benefit from health care, and to the almost 400,000 children that will be able to benefit from this tax credit, and for others, I thank you so much and I yield the floor.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, in the absence of the Senator from Delaware I believe I am entitled to yield myself 6 minutes from his time.

Mr. MOYNIHAN. Of course, Mr. President.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mr. GORTON. Mr. President, on all too many occasions in this body, we have been a part of debates, pointing fingers over failure, over a failure to balance the budget, over a failure to meet the needs of the American people. We are in a competition again here today, but it is a far more pleasant competition. It is competition for credit for a success. It is my view that there is plenty of praise to go around for that success, from the Republicans and Democrats to the leadership of the Congress and to the President of the United States.

I believe we have heeded the counsel of the people of the United States who were not willing to trust either party last November with full control over the Federal Government, and demanded that we work together and craft solutions to the challenges facing the American people. So we have passed a bill that will lead us to a balanced budget. And so we are about to pass a bill that will: Give needed and overdue tax relief to the American people; a credit to most hard-working American families of $500 for each of their children 16 years old and under; credit and relief for the expenses of higher education to those same hard-working middle-class American citizens; relief from the savage impacts of the death tax on small businesses and on farms; help for the self-employed, in paying for the rising cost of health care insurance; relief from burdensome taxation on the sale of homes or the sale of other assets that will lead to more investment and to better jobs and opportunities for the future; encouragements to save.

Mr. President, is this the last answer to each of these challenges, to all of our challenges? It is not. I share with the Senator from New York, the Senator from Louisiana, the Senator from Rhode Island, disappointment that we missed this opportunity, an opportunity granted by the courage of Members of both parties in this Senate, to deal with the underlying challenges to Medicare and to an aging population. But we did find that we could debate those issues and vote on those issues constructively and positively in this Senate. I believe we have built a base on which that debate will be renewed next year, one hopes with real opportunities for success.

We did not simplify the Tax Code in this bill by any stretch of the imagination, but I believe we built a foundation upon which we can debate next year over whether or not we ought to dramatically simplify and make more fair and easy to understand and easy to comply with, our tax system. But the fact that we didn't do everything should not detract from the fact that we did something. We have moved dramatically forward toward a balanced budget, and dramatically forward toward tax relief for the American people.

This is a partnership program for which much credit is due very widely and across both parties. I trust that partnership will be recognized by an overwhelming vote of approval tomorrow morning.

Mr. MOYNIHAN. Mr. President, if the Senator from New Mexico wishes to speak, I will yield the floor, of course, but the Senator from Arkansas would be the next?

Mr. DOMENICI. Senator BUMPERS, do you want to go next? You are entitled to.

Mr. BUMPERS. No, I am willing to let you go and I'll follow you.

Mr. DOMENICI. Thank you very much.

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

Mr. DOMENICI. Mr. President, we are on the threshold of passing the largest tax cut in 16 years. It's a package that benefits Americans of all ages and in all tax brackets. Mr. President, 82 percent of the benefits in this bill go to families earning less than $110,000, during the first 5 years.

I commend the chairman once again, and the entire Finance Committee and certainly the ranking member, Senator MOYNIHAN, for their fine bipartisan work. The hard-working parents of 45 million children will pay $500 less per child in taxes as a result of this tax credit for children—45 million children. At least 5 million parents with kids in college and taxpaying students will have $1,500 per student more to spend at college, as a result of the tuition credit, and 7.2 million recent entrants into the job market will be able to deduct their student loan interest. This package will mean that the American families will get to keep more of their hard-earned money, instead of sending it to Washington. This is a very large number of American families. I have just given you the numbers in millions, and they are very, very significant in all our towns, all our cities in all areas of our respective States, be it yours, Mr. President, or mine.

Let me quickly outline the major components of this package, because I think they are very exciting. Some have said it is a very small tax cut and, yes, in terms of our gross domestic product, or even our total tax, it is not a very big tax cut. But I believe we prove here that we can help many, many Americans, especially those most entitled to help in areas where we most want to encourage achievement.

The $500 child credit to help the working poor and middle class, the value of the personal exemption has been eroded over time, and the cost of raising a family has become more expensive. We all know in our youth that the deduction that our parents got to take because they had a child they were raising was a very, very significant economic advance to that family. We let it erode. The credit in this bill will totally eliminate the Federal income tax burden for more than 30,000 families in New Mexico and 300,000 New Mexican children's families will be able to take credit to reduce their taxes. I am particularly pleased that the Finance Committee decided to design the credit so that the working poor would also see the benefit of the $500 credit.

In New Mexico, there are 175,087 claimants of the earned-income tax credit. I applaud the final bill's approach. It is a logical sequel to the new welfare reform laws we have passed, because it, too, emphasizes moving from welfare to work.

The $500 child credit will save New Mexico families $461 million over the next 5 years. For a small State and a poor State, that is a lot of money that will stay home in the pockets of people and stay in our States. This is money that they can choose to spend, or they can save it to meet their needs. A family with two children eligible for two $500 credits would have an extra $1,000 a year in the family budget.

Some think that is not much, but this would pay the mortgage for 1½ months, or pay half of a year's worth of car payments, or buy gas for the family car for 8 months or groceries for 3 months.

In New Mexico, while 78 babies are born each day, Congress is passing this bill so that these children and their families will have a brighter future, more opportunity and keep more of their money.

This tax cut is overdue. Let me repeat, in 1948, the typical American family sent 3 percent of its income to Washington in the form of taxes—3 percent. Today, the number is closer to 25 percent with the Federal tax. Prior to the passage of this bill, most working mothers were working to pay taxes instead of improving the standard of living for their families, and that isn't right. Lowering the tax burden will let moms' paychecks go toward family expenses instead. It is not as much as everyone would like, but certainly better than doing nothing. As I see it, the entire package is a giant step in the right direction.

Most people's vision of America and the American dream includes a college education for their children. This bill helps fund that dream. It is a big expense and tuition costs have risen far more than inflation. Parents have told me that they have nightmares about financing college for their children. In New Mexico, tuition ranges from $18,700 at St. John's College, to $2,080 at the University of New Mexico or New Mexico State. Community and technical college tuition is about half that.

This bill provides a number of separate provisions that help finance college, but the most significant of them is a $1,500 tax credit that reduces taxes dollar per dollar for the first $1,000 worth of tuition paid and 50 percent for the next $1,000 of tuition paid for the first 2 years of college, community college or technical school. A good idea.

During the junior and senior years of college, the tax credit is 20 percent of the first $5,000 in tuition paid. Over time, these tax credits get bigger so that by the year 2002, the tuition tax credit is $10,000.

I am pleased that the technical colleges and community colleges qualify. They are needed. They are filling an ever-more important role in our changing educational needs.

Student loans are one of the broadest based forms of financial aid for graduate students. They are instrumental in financing undergraduate study as well.

The deductibility of student loan interest automatically shifts the benefit of the provision toward children of low- and middle-income families. The deduction of student loan interest is well designed to provide annual tax relief, and can provide a powerful incentive for more citizens to pursue and push hard for graduate and advanced degrees.

The deduction is phased in: $1,000 in 1998; $1,500 in 1999; $2,000 in 2000, and $2,500 in 2001.

Mr. President, this bill has a number of IRA's that our distinguished chairman has been the advocate of. He has adequately explained them and I won't go into them in detail.

This bill also allows penalty-free withdrawals from all IRA's for undergraduate, post-secondary vocational and graduate education expenses.

The bill also makes the exclusion of $5,525 worth of education assistance paid for by employers permanent. This provision has helped millions of workers maintain their state-of-the-art skills. As we move into the 21st century life-long learning will be a way of life.

The great educator Horace Mann said, ''Education is the great equalizer.''

In our technological society the reverse is also true, lack of education can leave people behind. For example, while in 1980, a student graduating from college could expect to earn about 45 percent more than a high school graduate, today the differential has almost doubled.

This bill provides $207 million in tax relief over the next 5 years for New Mexicans to better educate themselves and their families.

Actions have consequences and tax policy has mammoth consequences. The United States has one of the highest capital gains tax rates and one of the lowest savings rates among the seventh wealthiest countries in the world. If we cut the capital gains rate, our economy could create 150,000, as much as 280,000, new jobs next year. Besides being good for the economy, this capital gains tax will benefit everyone. Over a 10-year period, about one-third of all taxpayers sell at least one capital gains asset. Over a 10-year period, one-third of our population can take advantage of capital gains. It is not for one small group; it is for one-third of Americans.

We need to update our image of who benefits from a capital gains tax cut. In 1990, the typical mutual fund owner is someone in the $35,000 to $75,000 income bracket. The average portfolio is $14,000. Half of these investors do not have a college degree. This is a very different image from the wealthy widow toting a pampered poodle down Fifth Avenue in New York and being the one who can take advantage of capital gains. But I don't know anyone in New Mexico who has a numeral after his last name. I do know that New Mexicans pay $638 million in capital gains in 1995. Under this bill, that tax would be considerably reduced.

When the investor invests in companies, the result is capital formation. Dale Jorgenson of Harvard has noted that almost half of the economic growth between 1948 and 1980 was due to increased capital formation and influx into American businesses. Greater economic growth results as more and better paying jobs arrive on the scene.

I am also pleased that the bill expands IRA's and allows penalty-free withdrawals for the first-time home buyer and, obviously, we have other provisions that help homeowners because they, too, get a very significant capital gains differential when they sell their homes.

As baby boomers age it is very important that they save more for retirement. The IRA provisions encourages everyone to save more. I see this as a step toward enacting the U.S.A. tax reform plan that I have been working on the last few years. Under that plan families would be given an unlimited savings allowance so that the tax rate on any amounts saved or invested would be zero until the funds are consumed.

The other major provision in this bill provides death tax relief. The estate tax is often referred to as the most confiscatory tax of all. Some call it a tax on success. A recent Tax Foundation study found that today's estate tax rates—ranging from 18 to 55 percent—have the same disincentive effect on entrepreneurs as doubling the current income tax rates.

The unified credit has not been increased since 1987. This bill slowly increases it to $1 million by the year 2007.

The philosophy behind the estate tax was imported from Europe, for example, that the accumulation of too much wealth in too few families is bad. Today, however, that estate tax philosophy is fundamentally flawed. When applied to closely held business assets, ironically, the tax produces just the opposite result—often forcing family owned businesses to sell off to larger public corporations. It raises roughly 1 percent of annual revenues. At that rate, it is hardly worth the devastation it causes to family businesses and farms, and entrepreneurship.

Starting a small business is part of the American dream that allows any American with a good idea to follow it to prosperity and independence. In my State I have seen a number of welfare mothers start successful businesses. The ultimate American dream is to be able to leave that successful family business to one's children. Too often current estate taxes force heirs to liquidate the business or family farm to pay the estate taxes.

The death tax takes its toll. Only 13 percent of family businesses are passed on to a third generation. The National Federation of Independent Business testified before the Ways and Means Committee that ''the Federal estate tax represents perhaps the greatest burden today on our Nation's most successful small businesses.'' This bill helps lighten that burden.

The death tax changes are timely changes for ranchers. The average age of America's cattlemen is 55 years old. Some 80 percent of the beef cattle operations have remained in one family for 25 years or more with 42 percent in the family for over 50 years. Interestingly, 12 percent of the ranches have been in the same family for 100 years. This bill will contribute to preserving the great American legacy by helping keep ranches in the family by providing $25 million in tax relief to New Mexicans over the next 5 years.

The bill also allows people to sell a house tax free. This is a good real estate provision. One provision I am not totally satisfied with is the treatment of investment real estate. The conference report sets the capital gains rate at 25 percent, I truly believe that equity demands that the capital gains rate on investment real estate be the same as the capital gains rate. I hope the Congress will revisit this issue in the near future.

I am pleased that the bill makes it easier for small business entrepreneurs to claim the home office deduction. I am also glad that this bill accelerates the phase-in of the self-employed health insurance deduction.

The biggest winners under this tax bill are middle-income families with children, particularly those families earning between $20,000 and $50,000 per year. Families earning between $50,000 and $100,000 are given tax relief too, provided they have children or kids in college.

A married couple with household income of $35,000 and two children under age 17 would see their tax bill fall by $2,000, a 38-percent decline from what they'd owe under current law.

The education incentive mean that families with children in college are helped even more. A married couple with income of $35,000 and two children, one in college and one still at home, would see their tax bill fall by $2,000, a 76-percent decline from what they'd owe under current law.

What these families save on taxes represents cash in your pocket; it represents how much of their own money they get to keep. Think about how much of a raise a taxpayer would have to get from their boss in order to be able to increase their take-home pay by that much.

Mr. President, today is a banner day. We finished a bill that balanced the budget yesterday, and within that framework, today, we are passing a net tax reduction of $96 billion over 5 years. This makes it the largest tax reduction bill since President Reagan's tax reduction in 1981, and the first tax relief bill since President Reagan signed the 1986 tax reform.

Let me say, for those who are disappointed, I am not the least bit disappointed. We can always look at this as half-full or half-empty. I believe, when you look at Congress and the Presidency and the different philosophies, to be here today with the second of two major bills of this proportion, moving toward balance and a significant and very well tailored tax cut, I believe it is a real achievement, and for those who want more and think we should do more, let me suggest, we have been trying for a long time to do just this much and have been unable to do it. So I am very pleased and think the American people will be, too, when they start to feel its impact in their communities, in what they pay for taxes and what they keep.

I thank the Senate, and I yield the floor.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. BUMPERS. Mr. President, several years ago, there was a magnificent book that came out by a great historian, Barbara Tuchman, called the ''March of Folly: From Troy to Vietnam.'' The book cataloged how in moments of history, terrible tragedies, terrible mistakes could have been avoided because there was always some lone voice saying, ''Don't do that.'' Almost invariably, the politics of the moment dictated otherwise.

The book ''From Troy to Vietnam,'' starts out with the Trojan horse. Every schoolchild knows the story of how the Greeks went to rescue Helen from the Trojans. Finally, after many, many months of not being able to break into the Trojan fortress, the Greeks designed this Trojan horse, a wooden horse, a fabric horse, as the Aeneid describes it, and they place this horse outside the Trojan fortress. The Trojans are afraid that the gods have placed the horse there, and it would be a terrible tragedy for them if they didn't let the horse into the fortress. One person, named Laocoon, said, ''Don't let that horse in. What more than madness has possessed your brains?'' he said. ''What have the Greeks ever done for us?'' But he was the sole voice of dissent. So they opened the gates. They let the horse in, and 50 of the Greeks' finest soldiers poured out of the belly of the horse and took the fortress.

In World War II, when the debate was going on with the German high command about whether to get involved in the war, whether to antagonize the United States or not, the commander of all the German submarines was consulted. ''If you can sink so much allied shipping,'' they said, ''the United States won't be a threat.'' And the German U-boat commander said, ''You're silly; you're foolish. We can do a lot of damage, but we can't come close to sinking that much allied shipping.'' And his voice was drowned out as if he had never spoken.

When the warlords of Japan sat around plotting the attack on Pearl Harbor, the great Japanese admiral, Yamamoto, stood up and said, ''I've gone to school there. I know the Americans, I know their industrial output, I know their tenacity, and I know their love of country. This will not work.'' He went ahead to say, ''I am at the Japanese Emperor's beck and call, and I will do anything I am called on to do.'' The rest of that is history. Yamamoto's voice was drowned out.

Today, we have this reconciliation bill before us. And there were few lone souls in the U.S. Senate who voted against the great tax cut of 1981, Mr. President. Only 11 people stood up in the U.S. Senate and said, ''I'm not voting for a concept of doubling defense spending and cutting taxes and presuming to balance the budget.'' Eleven souls said, ''No, let's not do this. It is the height of folly.''

Our voices were drowned out. At that moment, the national debt was $1 trillion and the interest on that debt in 1981 was $60 billion. Our voices were drowned out. And 16 years later, because our voices were drowned out, today's national debt is $5.3 trillion, and the interest on that debt has gone from $60 billion a year to $359 billion a year. That is the interest we are paying on the national debt in this year of our Lord, 1997. You know how much of that $359 billion is as a result of the craziness of this place in 1981? Approximately three-hundred billion dollars.

The pages who sit in front of me will not live long enough to see that figure even reduced very much. You want to do something for the children? You say, let us give the middle-class children of this country a tax break. How about tomorrow's children and the children in the next generation and the next generation? What are you doing for them? You are saddling them with an incredible debt. When I think about what we could do if we would not pass this bill. With the economic growth we have enjoyed for the past six or seven years, and as we anticipate it will be for the immediate future, would almost certainly balance the budget in 1998, and we could even run a surplus in 1999. Balancing the budget is within our grasp, an eyelash away. And this bill thwarts it in the name of a middle-class tax cut.

About the only distributional analysis that has been done on this bill is a study by the Citizens for Tax Justice. And what do they say? Just look at this chart.

Look at this middle-class tax cut, Mr. President. The bottom 20 percent, people who make less than $12,000 a year do not get a tax cut. They get virtually no benefit from the child credit and capital gains and the other major tax cuts. So with the increase in cigarette taxes and airline ticket taxes, the bill is going to cost them $39 a year. So much for the poorest of the poor in this country. They not only don't get a cut, they pay more.

Go to the next 20 percent, the people who make up to $22,000 a year. What do they get? Why, they get a whopping $8-a-year cut in their taxes—a few cents a week.

If you combine these two bottom groups, you will see that the bottom 40 percent on average will see their taxes go up by $31 a year.

Then go to the next 20 percent. The next 20 percent, the people who make $22,000 to $39,000 a year, they are going to wind up with a $171-a-year tax cut—less than 50 cents a day.

So where is all the money going?

Look at this chart for just one moment. The next 15 percent that, they get $1,163 a year. What does the next 4 percent get? The people who make $109,000 to $246,000 get $1,772 a year in tax cuts. And the top 1 percent, the people who make $246,000 or more, get $16,227 a year.

So seventy-six percent of all the benefits of this bill go to the top 20 percent of the people in this country. That is a middle-class tax cut? That is to help the middle-class families of this country?

This bill has had more public relations, more ballyhoo under the name of a middle-class tax cut. No wonder 54 percent of the people of the country say they favor this bill. And you know why? Because the question is asked, ''Do you favor the balanced budget resolution that Congress is considering?'' Well, of course they favor a balanced budget resolution. Who doesn't? What a travesty. Mr. President, I have been divinely hoping that negotiations between the President and the Republicans would reach an impasse, breakdown, with gridlock, because if we did nothing the budget would be balanced in 1998, 1 year from this moment. If somebody had said in 1993, ''You vote for this omnibus budget reconciliation bill and we'll balance the budget in 1998,'' we would have insisted they take a saliva test.

When I think of all the good men and women who used to sit in the House and the Senate, and they are gone only because they had the courage to vote for that bill in 1993, which raised taxes on the top 1.3 percent of the richest people in America—1.3 percent—because a few courageous people in this body—Jim Sasser, Harris Wofford, two of the finest men ever to serve in the U.S. Senate, who are no longer with us. And a lot more people in the House are no longer with us—they had the courage to face up to something that was very unpopular at the time. But even on the outside they can take solace in the fact that they honored what they believed was a nonnegotiable demand by the people of this country for a balanced budget.

Do you know what we did as a result of that 1993 vote? I am always reluctant to talk about this because I have so many good friends on the other side of the aisle, but truth has to be told. Not one single Republican in the U.S. Congress, in the Senate or the House, not one voted for that bill. And the Democratic party suffered at the polls as a result of that vote.

A lot of people stood on the Senate floor and said the 1993 bill is going to bring about a terrible recession. So what really happened? Before we passed that bill, the deficit for 1993 was estimated to be $290 billion. And as a result of passing the deficit reduction bill, it turned out to be only $255 billion. In 1994, it dropped to $203 billion. In 1995, it was $154 billion. In 1996, it was $107 billion. For 1997, it is now calculated at around $45 billion, and many economists say it could be less. From almost $300 billion, in 4 short years, to $45 billion because a few people in this body had the spine to vote for something that was politically unpopular. Those people who lost their seats as a result of that vote are undoubtedly watching their hard-won victory being sacrificed on the altar of political expedience. The balanced budget of 1998 that is just about to elude us.

You know, the economy, if it stays as good as it is right now through all of 1998, despite the foolishness of this bill, we still might balance the budget in 1998 if the economy stays good, but only for a nanosecond. Under the calculations of the bill, we are going to spend almost $300 billion more in deficit spending over the next 5 years, and the interest on that will be $15 billion—forever. That $300 billion goes right on top of the $5.3 trillion you see here. At the end of 5 years, instead of $5.3 trillion, that will be $5.6 trillion. At the end of 5 years, instead of $359 billion in annual interest, it could well be $375 billion.

You want to do something for children? Don't saddle them with that kind of debt.

The Senator from New Mexico pointed out some very cogent points a while ago with which I do not disagree. I favor the educational benefits in this bill. I favor the child health care provision which we are paying for with a cigarette tax. It isn't all bad. But it isn't all critical, not as necessary as a balanced budget.

We are today going to grab defeat from the jaws of victory. The only gratifying thing to me about this whole exercise is it shows the hypocrisy of the constitutional amendment to balance the budget. I always knew that was political, but it is a very effective political tool. It took a lot of courage because it was portrayed that if you did not vote for the constitutional amendment, you were portrayed as being against a balanced budget. The fact that we are about to pass a bill which will supposedly balance the budget by 2002 reveals the hypocrisy of those people who said, ''You have to have a constitutional amendment to balance the budget.''

And those of us who voted for the 1993 bill to cut spending by $250 billion and increase taxes by $250 billion have something to be proud of because that act instilled so much confidence in Wall Street and the people of this Nation, the economy has been on fire ever since. The Nation thought the people here in Washington had finally stiffened their spines to do something that was right.

I cannot believe we are in the process of postponing balancing the budget for 5 years—the very people who said, you must put it in the Constitution and who said they wanted a balanced budget more than anything in the world. Here it is within our grasp. And what is their solution? Postpone it for 5 years, spend another $300 billion in deficit spending.

Mr. President, the needs in this Nation are truly great. We are the greatest Nation economically on Earth. We certainly are the oldest living democracy. We have the oldest Constitution in the world.

Militarily, we are certainly the strongest on Earth, and well we should be the way we spend money on defense. But when I think about the needs of this country, if you absolutely have to spend this money, there are better things to spend it on. We asked the Department of Education what it would cost to provide every child in America with a college education—every one who would get a college education if it were within their financial means. It is very interesting, this tax cut is roughly $135 billion, and it would take $1 billion less—$134 billion—to provide a college education for every youngster in America that would want one.

So the next time you talk to the most conservative groups in your hometown—the chamber of commerce or the Rotary Club—you ask them, do you think this country would be stronger if we educated with a college education every kid in America, or if we give a $135 billion tax cut to the wealthiest people in America? I can promise you that if you were debating that on national television, it would be 90–10 in favor of educating our children.

So, Mr. President, I divinely hope that everything I say today turns out quite differently from the way I am predicting it. But I don't believe that is going to happen. If Barbara Tuchman were alive, she would certainly include this vote as one of the top follies in our Nation's history. Once again, we have managed because of political expediency to finesse the real problem.

Mr. President, I yield the floor.

Mr. ROTH. Mr. President, it's time to move beyond the tax and spend ways that for far too long have marked business-as-usual in Washington. The Taxpayer Relief Act of 1997, as part of the budget reconciliation package, signals a new beginning for Congress—the beginning of a trend that puts Americans first.

To argue that the tax relief contained in this package is too high—or that the cuts are too big—is to argue that government simply doesn't tax American families enough. This is absurd. Today, Americans are paying higher taxes, as a percentage of our gross national product, than they have since 1960. Today, American families are paying more in taxes than they are for food, clothing, and shelter combined. High taxes are forcing parents who would rather be at home with their children to work longer, or to hold down a second job.

Many, who would rather be homemakers, are forced by high taxes to enter the labor market, as Americans are finding it impossible to support their families and the government on one salary.

Despite all of this, we're hearing now that taxes aren't high enough. Well my question, Mr. President, is just how high is high enough? How much more would satisfy my colleagues? I'm afraid that Congress could tax 100 percent of all the wealth in America, and it still wouldn't be enough for those who refuse to change their tax and spend ways.

You see, I come from another school of thought. I believe that the money Americans earn belongs to them. I believe our families know best what to do with their checkbooks. I believe that money earned by an individual belongs to the individual—that it does not belong to government—and that government is arrogant to assume that it can decide how much a hard-working man or woman can keep.

You see, Mr. President, unlike my distinguished colleagues, my disagreement with this bill is exactly the opposite. My disagreement with this bill is that the tax relief contained within it doesn't go far enough. The tax cuts aren't deep enough. That's why I can assure those who are listening that we will be on this floor again, some time in the near future. We will be here addressing real tax reform—tax reform that is structured from the taxpayer's point of view.

But for now, I'm willing to accept this compromise. It was crafted in a spirit of bipartisanship, with willing and cooperative leaders on both sides of the aisle. I will vote for this tax relief. But again, I assure you—I assure the American people—that this relief is only a first step in an effort that will continue—a bipartisan effort that will deliver the kind of tax reform Americans deserve.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

PRIVILEGE OF THE FLOOR

Mr. BUMPERS. Mr. President, I ask unanimous consent that the privilege of the floor be granted to the following members of my staff during the pendency of this measure: Barry Becton, Catherine Dolan, and Tom Walls.

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

The PRESIDING OFFICER. Who seeks time?

Mr. ROTH. Mr. President, I would like to take a moment to express my gratitude to the many staff members who helped us draft this historic tax relief legislation. These dedicated men and women worked tirelessly over the last several months. They worked early mornings, they worked late nights and many times almost all night, as well as weekends, to help us succeed. I, for one, am deeply appreciative of the staff's effort. I know that my colleagues are as well.

So, Mr. President, I ask unanimous consent to have the names of the staff printed in the RECORD.

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

MR. ROTH'S PERSONAL OFFICE

John Duncan.
Ashley Miller.

SENATE FINANCE COMMITTEE

Lindy Paull.
Frank Polk.
Mark Prater.
Rosemary Becchi.
Doug Fisher.
Brig Gulya.
Sam Olchyk.
Tom Roesser.
Joan Woodward.
Myrtle Agent.
Mark Patterson.
David Podoff.
Nick Giordano.
Maury Passman.
Bill Fant.
Ramon Camacho.
Ginny Flynn.
Christina Pearson.

SENATE LEGISLATIVE COUNSEL

Jim Fransen.
Mark Matheson.

HOUSE LEGISLATIVE COUNSEL

Stan Grimm.

Mr. ROTH. I'd also like to thank the staff of the Joint Committee on Taxation for their hard work and effort on this legislation, including Ken Kies, Bernie Schmitt, Mary Schmitt, Barbara Angus, Steve Arkin, Tom Barthold, Pat Driessen, Chris Giosa, Ben Hartley, Rob Harvey, Harold Hirsch, Melani Houser, Allison Ivory, Ron Jeremias, Kent Killelea, Leon Klud, Gary Koenig, Tom Koerner, Roberta Mann, Laurie Matthews, Alysa McDaniel, Joe Mikrut, Pam Moomau, John Navratil, Joe Nega, Judy Owens, Barbara Robles, Cecily Rock, Mel Schwarz, Carolyn Smith, Bill Sutton, Maxine Terry, Mel Thomas, Mike Udell, Barry Wold, and Judy Xanthopoulos. In addition, I'd like to recognize particularly the assistance of the support staff of the Joint Committee on Taxation. Without their efforts, this bill could not have been completed in a timely manner.

Mr. MOYNIHAN. Mr. President, if there are additions from our side, I know the Senator wishes them to be added also.

Mr. ROTH. Absolutely.

Mr. MOYNIHAN. Mr. President, I ask what time remains on the bill.

The PRESIDING OFFICER. The Senator from Delaware has 3 hours 4 minutes. The Senator from New York has 1 hour 29 minutes. The Senator from Arkansas has 50 minutes.

Mr. MOYNIHAN. Mr. President, I don't want to introduce any partisan wrangling, but this side of the aisle has done much better in using up time than that side. Perhaps we could think of yielding back some time.

Mr. ROTH. Well, I say to my distinguished cochairman that I——

Mr. MOYNIHAN. We talk more than you do.

Mr. ROTH. It takes you longer to make a point.

Mr. MOYNIHAN. I see. I think I will withdraw from this exchange.

Mr. ROTH. Mr. President, I suggest the absence of a quorum and ask that the time be equally divided between the two sides.

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

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. ROTH. Mr. President, I yield 10 minutes to the distinguished Senator from Georgia.

The PRESIDING OFFICER. The Senator from Georgia is recognized for 10 minutes.

Mr. COVERDELL. Mr. President, first, I want to thank the chairman and ranking member for the hours and hours of deliberation and work to bring us to this point. You are both to be highly commended, along with several others of our colleagues. But I think all of us in the Senate are indebted to the hours of commitment, not only to this distinguished body, but to our country, and we thank you both.

Mr. President, I rise in support of the Tax Relief Act, and I was most pleased to be able to cast a vote earlier today for the Balanced Budget Act. I know many have said so, but it is worthy of repeating. We have waited 28 years to finally have the Congress produce a balanced budget act that will be signed by the President. That is a massive accomplishment. Now we are on the verge of passing, I think by even a greater margin, a tax relief act, which is a significant step. It falls short, in my judgment, of what is truly needed for the American worker and family, but I applaud the significance of it, the direction of it, and even the amount of it.

I do think it is worth remembering that, in 1990, about this same time of the year, American workers and families were given a $250 billion tax increase. At that time, it was the largest increase in American history. It was followed by a promise, in 1992, of a reduction, which never occurred. In fact, what happened was that another $250 or $260 billion tax increase was given to the American worker and family—meaning that from 1990 to 1993, taxes were raised by over a half trillion dollars, leaving the American worker and American family with the largest tax levy in our history.

Put in that context, this tax relief is only a 20 percent refund of the tax increases in the early part of this decade. That is why I say it falls short of what I think really ought to occur, and I know I am joined by many colleagues who feel this is a first step and we must come back and find additional relief for the American worker.

Now, I have said many times on the floor, Mr. President, that I think it is better to try to bring this down to what it really means to an average family. In my State, that family makes about $40,000 a year. When that family pays its current tax burden and when that family pays its share of the cost of Government and when that family pays its share of higher interest rates, they are left with about 47 percent of their paycheck. In other words, this year, they worked from January 1 to July 3 for the Government, which meant that July 4 this year took on a new meaning. It was not only Independence Day; it was the first day they got to keep the first dime of their paycheck. Or, in other terms, it means, in my judgment, if you could conclude that an American family ought to keep, at a minimum, two-thirds of their paycheck—it ought to be more—but if you concluded, at a minimum, that American workers ought to keep two-thirds of their paycheck, that means they are falling $8,000 short—this average family I am talking about—every year. Just think of what that kind of resource would do for that average family's checking account and the kinds of things they could do.

You know, we are always hearing, and we are told over and over that American families have no savings. Why would we be surprised that they have no savings, Mr. President, if the Government has been marching through their checking account taking over half of what they have? The disposable income that is left can barely deal with the essentials. Why are we surprised that consumer debt is at an all-time high or that individual bankruptcies are at an all-time high or why, in the face of a reasonably good economy, there is still so much anxiety in middle America? It is because we have left them with so few resources to do the job we have always asked of the American family.

As somebody said the other day on the floor, the best department of health and human services is our own American family. But they have to have the resources, instead of the Department of Health and Human Services.

So, Mr. President, the fact that we are refunding about $100 billion of the $500 billion in new taxes is a laudable step and a meaningful step that will help every generation of Americans—children through the child tax credits, students through the savings accounts for education and the tax credit, small businesses and owners of stock and people in retirement or who are about to go into retirement because of the capital gains tax reduction and the estate tax improvements. We are going to move a flood of capital to the newest ideas because we are going to unlock billions of dollars when we lower the tax burden on capital.

So, Mr. President, I applaud our leadership. I applaud the members of the Finance and Budget Committees. I applaud the President for finally agreeing to sign meaningful tax relief and a balanced budget act. I believe this is good for America.

I have one disappointment. Mr. President, after agreeing to the tax proposal, the President sent a late-night letter to our leadership and said that he would veto all the tax relief for America if we include an amendment which we passed in the Senate which would have granted a savings account for families to use for elementary education and high school education. That is where the problem with American education exists. This amendment would have allowed average families the ability to remove from the savings account, without being taxed, money to buy equipment, like computers, to hire tutors for special education needs, for special transportation costs, and, yes, for tuition, if they chose another school to go to. I think it is a severe loss that that amendment had to be removed. I am here to say to the Senate and to the House and to the President that the millions of Americans who want assistance at the elementary and secondary level are not going to go away. We will come back. We will author new legislation to achieve these goals focusing on elementary and secondary education. It is going to be a requirement if we are going to produce the knowledge in our youth that will be able to lead us into the new century.

So, Mr. President, with that, I conclude my remarks and yield back my time to the leader.

(Disturbance in the visitors' galleries)

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I yield the distinguished Senator from West Virginia, the former President pro tempore, such time as he may require.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, I hope that the galleries will be cautious. They are our guests, and they should understand that the Senate rules do not allow demonstrations of approval or disapproval.

Mr. MOYNIHAN. Might I just restate that fact, sir?

The PRESIDING OFFICER. The Chair reminds the visitors in the galleries to refrain from demonstrations.

The Senator from West Virginia.

Mr. BYRD. Mr. President, I rise to oppose this reconciliation bill. It hands out tax cuts much like adults dole out candy to pacify rowdy children. The American people are not children, and I believe that we underestimate both the public's eagerness for these cuts and our people's comprehension of our Nation's fiscal situation.

Mr. President, this is no criticism of those Senators who worked for the tax cut. I accord to every Senator the right to express his own convictions and his own beliefs. And I respect every Senator's convictions and beliefs. I happen to differ with many of my colleagues in this instance. I just do not think that it is wise to have this tax cut. I differ with this administration in that regard. The American people are not children. I have been in politics more than 51 years, and the easiest vote for me ever to cast is a vote to cut taxes. That doesn't take courage. It doesn't take a brave man to do that. That is easy.

Let us first note that the past actions of the Congress in approving the tough deficit reduction measure called OBRA in 1993 is largely responsible for all but erasing the bloated and damaging deficits of the 1980s. That piece of legislation and the steady economic growth we have experienced over the past several years have all but brought us into budget balance. The legislation we passed called OBRA in 1993 and the steady economic growth that we have experienced and are still experiencing are what have brought us into budget balance, almost. Passed without a single Republican vote—not one Senator on that side of the aisle, not one Republican Member of that body on the other side of the Capitol, not one voted for that legislation. Not one. That passed, as I say, only by Democratic vote. Without a single Republican vote, that politically unpopular measure—OBRA 1993—was the castor oil that has mostly cured this Nation's serious bout with red ink disease, and set us on a straight course to budget balance. May I add that this cure has been achieved without the arsenic-laced medication of a balanced budget amendment, which so many in this body had prescribed as the only cure for the ailing patient. They were wrong, and we have turned the corner on our budget woes while at the same time preserving, at least for the moment, the checks and balances so vital to our continued life as a viable republic. But this legislation pending on the Senate floor today threatens to negate our progress and throw the body politic back on the critically ill list.

The outyear losses from the tax cuts contained in this bill could propel us backward in time to the irresponsible 1980's. May I note that we are voting on this reconciliation bill without the benefit of the administration's economic assessment of the outyear impact of these tax cuts. We shouldn't have to do that. We are rushing to approve these tax cuts in the misguided belief that the people are clamoring for tax relief, regardless of the consequences for the deficit in future years.

Although I applaud the sincerity of those who differ with me, realizing that a tax cut would be part of any deal, who have tried to make those cuts more fair in their distribution, I cannot fathom the justification for supporting this whole package based on the meager benefit that might accrue to the nonwealthy. In my view, those of us charged with the responsibility to govern must take a larger view of our total fiscal policies and remember the lessons of the past two decades.

I am one of the miserable few who retains the miserable memory of having voted for the tax cut that Mr. Reagan espoused when he first went into office. I voted for that tax cut, and I have been kicking myself in the rear ever since. I was wrong. That and the massive buildup in national defense and the massive growth of entitlements. These are the things that have brought upon us the ills of today, in large measure.

We are only now emerging from the crippling restrictions of a massive deficit, debt which hampered our ability to invest in our Nation's physical infrastructure, to repair roads and bridges, maintain the treasures of our national parks, and provide basic amenities to our people like clean, safe water. There are people in West Virginia who are lacking in that treasure of safe, clean drinking water. There are people in other rural States all over this Nation who need clean, safe water. They don't have it. That same deficit has also prevented investment in our people's abilities through education, training, and health policies. Before we have even paused to experience the sweet liberty of freedom from that crushing burden, we are eagerly engaged in digging our way right back into debt through these massive back-loaded tax cuts.

Back loaded. Ah, how sweet it is, to tell the American people, ''We have cut your taxes!'' Nobody likes to vote for a tax increase. I don't like to do that. And there are times when we really need to cut taxes, but this is not the time.

Since the budget has not been balanced since 1969, I guess nobody in this town can bear the thought of being in balance. Without the hot breath of the deficit master on our necks each and every working day, we might actually be able to return to a time when we could address some of our real problems in this country. We might even see a little creativity and common sense come out of this city. We might have to learn to plan and to be proactive about our Nation's problems instead of slapping on the green eyeshades every morning and focusing on the comforting familiarity of the deficit devil which has become an all-purpose collective excuse for doing nothing much at all.

Before we all break out the champagne bottles and congratulate ourselves on helping the poor, beleaguered population by making the easiest, nobrainer vote in all of politics—the easiest, no-brainer vote in all of politics, a tax cut; how easy; how easy it is—let us sober up for 1 minute and contemplate the obvious fact that one fairly severe recession in the next several years coupled with the impact of these back-loaded tax cuts will throw us right back into the deficit canyon. That is all it will take.

Let us further jog our all-too-short memories and recall that the national debt as of July 25 is a whopping $5.28 trillion. Yes. Let's reduce the deficit. But let us put that money on that national debt. Further, I am told that the latest estimate by the Congressional Budget Office and the interest due on that debt for fiscal year 1997 is $358 billion. That is just the interest due on the debt—$358 billion. That is $358 for every minute since the Lord and Savior Jesus Christ was born—$358 for every minute since Jesus Christ was born. This is not small change, my colleagues. And it seems to me that even using the new, new, new, new math, and without benefit of a hand-held calculator, anyone can see that we cannot prudently afford this tax cut.

So I am critical—yes—of the Republican Party for advocating this tax cut. I am critical—yes—of this administration and this White House, of my own political party, for advocating a tax cut at this time. It is pandering to the American people. It is pure political demagoguery. That is what it is, pure and simple.

Additionally, any informed observer of our Nation's demographic trends can easily see that a low birth rate in our Nation's large and aging baby-boom generation are fusing a fiscal time bomb steadily ticking along on its inevitable course which will detonate in the second decade of the next century. The second decade of the next century. But who cares? Many of those of us who vote for this tax cut today will not be here. We will not be around. Some of us will be in our rocking chairs, enjoying retirement.

Do not count me in that crowd. We will not be to blame. Who will be around to blame us?

That time bomb could lead to a mushroom cloud, a mushroom cloud that spreads over the country, a cloud of returned budget deficits if we do not think of ways to responsibly sap its destructive potential.

Mr. President, simply put, our Nation does not need and can ill-afford tax cuts at this time—not the tax cuts that are included in this reconciliation bill, not the tax cuts promulgated in recent years as a result of the so-called Contract With America.

I did not sign on to that contract, the Contract With America. We do not hear much about that contract these days, not much anymore. I never signed on to that contract. Here is my ''Contract with America,'' the Constitution of the United States. Hallelujah! No signed contract for me. I signed the oath to uphold and defend this Constitution of the United States against all enemies, foreign and domestic. That is my contract.

But not any tax cut. Such tax cuts threaten to enlarge the deficit right at the time we are close to erasing it. Then we are going to bloat it again, going to blow it up again. More importantly, tax cuts of the sort being considered today could mushroom the deficit in the outyears, precisely at the time when our Nation will be graying.

See, I once upon a time had black hair, black as a raven's wing. Not anymore. I went through a graying process. And today my hair has turned not to silver but to the 79th wintry snow—I should say 80 in November. But precisely at the time when our Nation will be graying, and slowly moving closer to the detonation of that time bomb, the explosion of retiring baby boomers that threatens to implode our Nation's fiscal house.

There can be no argument, as there was in the early 1980's, that these cuts are needed for economic growth. That was the argument they used back in the early 1980's. We had a new President. His name was Ronald Reagan. My people said, ''Give him a chance.'' They wrote me letters and postcards and said, ''Give him a chance.'' Well, against my own better judgment, I voted for his tax cut. In those days, we could argue that the cuts were needed for economic growth. That is one of the arguments Mr. Reagan so well used.

We are currently in our sixth consecutive year of economic growth, the stock market continues to reach record high after record high after record high. They wonder how much higher it can go. It became 4,000, and then it became 5,000, and then it became 6,000, then it became 7,000, then it became 8,000. How much higher can it go? I could have become a rich man, perhaps, if I had known how to play the stock market. But I am one who remembers the stock market crash in 1929, so I have been afraid, afraid of that market ever since. Unemployment recently dipped below 5 percent. Think of it! And inflation has remained in check. The stock market has risen into the stratosphere, beyond the opening in the ozone layer.

Does this sound like an economy that needs a jump-start through a tax cut? We were on the right track in 1993. That was the right track. We don't need this tax cut now. To provide a tax cut now is like encouraging someone who has just paid off a huge credit card debt, complete with whopping interest payments to go on a wild and uncontrollable shopping spree. Where is the learning curve? Where is the learning curve?

Mr. President, it appears to this Senator that the justifications for the tax cuts contained in the pending legislation do not extend beyond the realm of pure unadulterated politics, pure unadulterated politics. Tax cuts are now, as they have been in the past, the easiest vote a Member of this body could ever make—easiest vote. Tax cuts sell well on the campaign trail. They make even rubber chicken taste good. They seem to magnetically draw checkbooks out of our coat pockets, but in our current fiscal situation they do not represent sound fiscal policy.

Tax cuts are not in the best interests of our Nation at this time. I cannot state that strongly enough. To fully prepare for the budget pressures of the next century, we will need fiscal discipline as never before envisaged. We will need budget surpluses, not a teetering see-saw of a balance weakened by looming, back-loaded tax cuts whose costs continue to escalate and whose effect will be to tilt the see-saw back toward deficit spending. We will need to make many difficult decisions with regard to Federal entitlement spending.

In short, Mr. President, we will need compromise on many fronts of our budget debate. However, if we are to be truly faithful to the principles of fiscal order and balanced budgets, and if we are going to be mindful of the America that we leave to our children—we hear so much about our children—if we are truly mindful of the America that we leave to our children and to our grandchildren, there is no place, no place for tax cuts in any compromise proposal at this time.

Mr. President, I yield the floor.

Mr. ROTH. Mr. President, my colleague's argument brings to mind a letter from a fellow Delawarean who reminded me of the wisdom of President Abraham Lincoln.

Quoting our 16th President, Mr. Robert Hall, of Hockessin, DE, reminded me that:

> You cannot bring about prosperity by discouraging thrift. You cannot strengthen the weak by weakening the strong. You cannot help the wage earner by pulling down the wage payer. * * * You cannot establish sound security by spending more than you earn. You cannot build character and courage by taking away man's initiative and independence.

Only by keeping the economy strong can we balance the budget. And one certain way to strengthen the economy is to keep our burden of taxation reasonable, keep it at a level that provides initiative and incentives for risk-taking and thrift. History has proven that tax cuts stimulate economic growth.

The Mellon tax cuts at the turn of the century created incredible prosperity for America. President Kennedy's cuts stimulated the economy in the 1960's, and in the 1980's, Kemp-Roth led to the longest peacetime economic expansion in history. Eighteen million new jobs were created, along with 4 million new businesses. Family income rose and homeownership boomed as interest rates and inflation fell. At the same time, Treasury revenues more than doubled, not because Americans were paying a higher percentage of their income to taxes, but because Americans had higher incomes.

The truth is, Mr. President, that had Congress held the line on spending, the windfall to Treasury created by the Kemp-Roth tax cuts would have put a stake in the heart of the deficit. However, instead of controlling its appetite to spend—something we're trying earnestly to do, now, Congress shackled America with the 1990 tax increase. Then, 2 years later, President Clinton imposed the largest tax increase in history on Americans.

With this package, we begin to reverse these trends, and history is on our side. A responsible tax cut will strengthen the power of an expanding economy for our families and Nation.

At the moment, the average American family pays 40 percent of its income to taxes, and the current Federal system is counterproductive to economic growth. It double-taxes savings, thwarts investment, hinders productivity, increases prices, stifles wages, and hurts exports. It is complex and places disincentives on work.

As chairman of the Finance Committee, I intend, to see this reconciliation package through, and then, in coming months, I intend to turn our attention to comprehensive tax reform. We will work for a fairer, simpler plan that does away with the negative consequences of the current system—a plan that encourages savings and promotes American exports. But first we must keep our promise of the tax cuts we've proposed for the American people.

This legislation keeps that promise.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER (Mr. THOMAS). The Senator from Utah.

Mr. ROTH. Mr. President, I yield 10 minutes to the distinguished Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. HATCH. Mr. President, in a different vein than my colleague from West Virginia, I rise to speak in strong support of this historic balanced budget and tax relief agreement. On many occasions I have come to the floor of the Senate arguing the importance of curbing Federal spending and balancing the Federal budget. It is equally, if not more, important that we pass on the benefits of a balanced budget in the form of tax relief to the American people.

Mr. President, I have long been an ardent supporter of tax cuts for the American people. This bill marks a very decided shift, a dramatic shift from the tax increases that have been prevalent over the past decade. The bill before us represents the first real tax cut in 16 years. It was not easy to get here. We can all remember the partisan budget debates we have had in the past few years. The difference between those bills and the one before us today is the bipartisan cooperation that went into this year's legislation. It is because of unceasing bipartisan effort to end big government and the benefit of a strong and vibrant economy that we can stand here today debating such historic legislation.

I maintain, Mr. President, that this bipartisanship developed because the American people insisted on it. They reelected President Clinton, but they also reelected a Republican majority in the House and Senate. And I have to say we would not even be debating a balanced budget bill, we would not be debating a tax cut bill if it was not for the Republican majorities in both the House and the Senate. The people who we each have pledged to serve decided that both points of view were necessary to get a balanced Federal budget. Congress and the President finally got the message, and the American people are the beneficiaries.

The package before us contains a variety of tax cuts that will bring much-needed relief. These tax cuts allow the taxpayers in my home State of Utah and across the Nation to keep more of their hard-earned dollars. This bill provides significant relief through: First, a tax credit for families with children; second, lower capital gains tax rates; third, tax incentives for education; fourth, small business incentives; fifth, increased savings through enhanced IRA's; and sixth, higher death tax exemptions.

The child tax credit is especially important for America's working families. Raising children in today's world becomes more expensive each year. This family tax credit will put the tax relief where it is needed most, in the pockets of parents with small children.

This bill also contains a number of proposals to ease the burden for paying for college. I hear again and again from parents in Utah and throughout the country struggling to keep up with the high costs of college for their children. Mr. President, having put six children through college myself, I know exactly what they are going through. This bill will help these families by providing a tax credit for tuition expenses, a deduction for student loan interest and a new education IRA to promote saving for education. There aren't many things in this world that mean as much to us parents as giving our kids an opportunity that perhaps we didn't have or helping them to get along with good education.

The bill also contains important tax cuts to stimulate economic growth and create new jobs. In the past two Congresses, I have introduced legislation to cut capital gains rates in half. I am extremely pleased that this tax package lowers the capital gains tax rate in half to almost 20 percent. This historical and important change will not only ease the current double taxation of capital income, it will encourage more capital investment and help maintain the strong economic growth that this country has experienced over the past number of years. In fact, ever since the original recession during the Reagan years, we basically have had a good economy. We had a couple of downturns during the Bush years, but the fact is, we are all still benefiting from having cut the marginal tax rates from 70 percent down to 28 percent.

I might also add that a great deal of the credit should go to the distinguished chairman of the Senate Finance Committee, Senator ROTH. I remember in those early days in the late 1970's and early 1980's there were a number of us who banded together under the leadership of BILL ROTH and Jack Kemp to advance supply-side tax cuts which have proven to be successful. We are still benefiting from the cuts in those marginal tax rates from 70 percent down to 28 percent, still benefiting today, and this administration is benefiting from that. And to blame all of those deficits on Reagan kind of ignores the Great Society programs, kind of ignores the fact that during those years Reagan got his marginal tax cuts but Tip O'Neill got his great spending increases, and, of course, we had to increase spending on the military. Ultimately, because of Reagan and his spending, we actually ended the cold war. And we have saved trillions of dollars because of that.

I want to pay particular tribute to my colleague from Delaware. Without his leadership, we would not have this bill. We would not have these tax cuts. And I have to say he has been a strong, firm, solid, steady leader in these matters.

This capital gains tax rate reduction alone is going to prove to be very beneficial to our economy. There are trillions of dollars locked up in capital assets in this economy because people just don't want to pay a 28-percent top capital gains tax rate and corporations don't want to pay a 36-percent rate. Unfortunately, we couldn't do much for the corporations this year because of the limited amount of tax cuts we have negotiated with the President. But we have done a lot for the millions and millions of people, now, many in the middle class—50 percent of whom are in the middle class—who now are getting robbed because of inflated values of their capital assets, which if they sell they are paying taxes on the inflated value rather than the actual value. It wouldn't have happened but for our distinguished chairman of this committee, the distinguished chairman of the Ways and Means Committee, BILL ARCHER, and of course my friend—both friends—BILL ROTH, as well.

This is important. For a long time we have made the case if we cut capital gains tax rates we are actually going to get an increase in tax revenues. I believe over the next 5 years that will prove to be true. Instead of losing actual tax revenues we ought to increase tax revenues. But if all we do is break even or even slightly below breaking even, it's worth it because it's the type of thing that will benefit so many millions of Americans, especially those of us in the middle class who put our hard-earned savings into mutual funds or into other areas of the stock market or into capital assets that literally will receive some benefit in the future from what is being done here today.

Some of my colleagues from the other side of the aisle have categorized the capital gains tax cut as being for the rich. This is just not true. The capital gains tax cuts will help any American investing in a mutual fund, owning a home, or with an IRA which invests in stock. These are not the rich. These are hard-working middle-class families saving for their future and struggling to own a piece of the American dream.

In addition, this bill provides much needed relief from the estate and gift tax. This so-called death tax is nothing more than a punishment for success. This tax has the damaging effect of forcing families to sell a business or a family farm just to pay their tax liability. Many farms in my State of Utah have been passed on from generation to generation. Under the current estate tax, it is inevitable that at sometime in the future these families may be forced to sell these farms unless this tax is eliminated. This is one area of unfinished business. I hope that we can continue the process we have begun here and work together in the future to further reduce this onerous tax on American family farms and businesses.

This bill also contains a number of proposals that will help small businesses. Since 1993, I have attempted to clearly define what is a principal place of business for purposes of the home office deduction. This bill would clarify that definition and allow thousands of small business men and women deduct their legitimate home office expenses.

In addition, this bill makes important changes to allow self-employed individuals to fully deduct the cost of health insurance. The bill also modifies the employee stock ownership plan rules and other pension provisions that will allow more small businesses to provide employees with savings and retirement benefits.

Mr. President, I would like to commend the conferees for including provisions contained in the International Tax Simplification for American Competitiveness Act which I introduced earlier this year with Senator BAUCUS. This bill will extend the same export benefits to software products that are available to films and other recordings. It will also provide relief to U.S. financial services companies, including banks, security firms, insurance companies and brokers, and other finance and credit entities. The simplification and other changes to the most complex area of our Tax Code will enhance the global competitiveness of American products and companies.

Mr. President, while this bill does, in some ways, create more complexity in the Tax Code, there are a few sections that simplify various areas of our tax system. One such provision is a provision that I have worked hard on—exempting State and local government pension plans from the cumbersome pension nondiscrimination rules. This provision reinforces the right that State and local governments have to determine the compensation of their employees without Federal Government intrusion.

Mr. President, the passage of this tax relief bill is truly historic. The taxpayers in my State of Utah and across this country are deserving of this tax cut. They are overtaxed and over regulated. This bill provides broad tax relief in many important areas.

The budget conference report also contains provisions to restructure and preserve the Medicare Program for a decade. These changes are nothing less than historic in nature and will help insure that Medicare remains solvent well beyond 2001—the date for financial insolvency for the Medicare part A hospital trust fund.

Elderly Utahns can rest assured tonight that the Federal Government's health care commitment to them remains strong and undeterred. And, while work remains to be done, all future Medicare beneficiaries can rest assured that Medicare will be there as they become eligible early in the next century.

I join my colleagues in the Senate and particularly those Senators on the Finance Committee, on which I serve, where this legislation was originally developed and drafted.

We all have worked tirelessly over the past 7 months through numerous committee hearings and through countless committee meetings. We worked in a bipartisan fashion, resolved our differences on policy, and ultimately developed a consensus approach to Medicare reform.

The effort has paid off, and the American people are the recipients of this great and historic dividend.

Nevertheless, we must also recognize—and the American people must realize—that there still remains considerable work to be done with respect to long-term reforms of the Medicare Program.

This is why I am delighted the conference report contains legislation I sponsored earlier this year to establish a National Bipartisan Commission on the Future of Medicare.

This Commission will be comprised of 17 members who will be charged to develop recommendations to ensure the long-term fiscal health of the Medicare Program. Those recommendations will be completed and sent to Congress by March 1, 1999.

I have spent a great deal of time talking with my constituents in Utah, and I have found that one thing which matters very much to them is the ability to choose the health care which suits them the best.

Clearly, one of the most significant and dramatic changes to Medicare will be the new Medicare Choice Program. Under this new program, Medicare beneficiaries will have the opportunity to choose from a variety of private health care plan options that best suits their needs and preferences.

Such plans could include newly created provider sponsored organizations operated by health care providers as well as medical savings accounts combined with a qualified high-deductible policy. Utah providers have urged for several years that we change the law to allow them the ability to band together and form provider networks, locally based linkages of physicians and hospitals who will treat Medicare patients. That change will finally be made.

As a strong supporter of MSA's, I am delighted the bill contains this provision even though it is a demonstration that is capped at 390,000 enrollees and sunsets on December 31, 2002. Nevertheless, it is an important first step that I believe will be a resounding success and reauthorized beyond the 2002 deadline.

This is an important change in Medicare which, since its inception in 1965, has traditionally been structured as a fee-for-service plan.

The Senate recognizes that beneficiaries want more choice in the manner in which they receive health care. With the introduction of managed care into the private sector, seniors are increasingly interested in participating in managed care plans which offer greater benefits such as prescription drugs and eye and hearing care.

The conference report we are passing today will give seniors that choice. But it will do so without jeopardizing anyone's right or desire to remain in the traditional fee-for-service program.

Moreover, we have incorporated protections and safeguards to ensure that those seniors who choose to participate in a managed care plan will have the necessary consumer protections such as access to emergency services 24 hours a day as well as appropriate appeals and grievance procedures.

Another key interest of Utahns is the necessity of providing cost-effective, high-quality care for our seniors and disabled who must avail themselves of either nursing home care or home health services. I am particularly delighted the report contains important and necessary changes in the manner in which the Federal Government finances skilled nursing home and home health care services.

I have long advocated for the establishment of a prospective payment system, or PPS as it is referred to, for home health and skilled nursing care. I have introduced legislation—S. 913, the Home Health Care Prospective Payment Act of 1997 and S. 914, the Skilled Nursing Facility Prospective Payment Act of 1997—to accomplish this objective. The major components of that legislation are contained in the conference agreement we will approve today.

The implementation of a PPS will help address the extraordinary escalation in program costs associated with home health and nursing care. These two programs are the fastest growing components of Medicare and efforts are necessary to address program growth without jeopardizing quality or access to care.

Accordingly, I am delighted the report before us today incorporates many of the provisions in my bills including the implementation of a prospective payment system.

With respect to the $5 copayment for home health care services originally contained in the Senate bill, I am pleased the final conference report does not contain this provision. While I recognize the need to place controls on utilization, I believe the most cost-effective approach is through a prospective payment system which we now have in place.

The legislation will also provide Medicare beneficiaries with new and enhanced health care benefits.

I am particularly pleased that annual mammography screening, screening for prostate and colorectal cancer, diabetes self-management, and expansion of immunizations will be phased in and available to beneficiaries.

In this regard, I am especially pleased that the conference report contains a provision I raised in the Finance Committee to eliminate the x-ray requirement as a condition of Medicare coverage for chiropractic services.

Affording seniors greater access to chiropractic services will not only result in reduced Medicare expenditures, in the context of total program costs, but will also reduce needless back surgery for countless senior citizens.

Mr. President, I would like to turn now to another provision, the need for which was brought to my attention by Ms. Michelle Newport, a Christian Scientist in Salt Lake City, UT.

Under several provisions of Medicare and Medicaid law, reimbursement has been authorized for literally decades for nonmedical hospital and skilled nursing facility services provided in sanitoria operated by the First Church of Christ, Scientist.

The need for reexamination of these statutory provisions was pointed out when the current law was challenged successfully last year in the case of Children's Healthcare Is a Legal Duty (CHILD) versus Vladeck. In this case, a Minnesota district court held that the law and their accompanying regulations violate the establishment clause of the Constitution as an inpermissible sectarian preference. Pursuant to that court decision, the Secretary was enjoined from further implementation; however through the efforts of a number of Members of Congress who disagreed with this ruling, including House Judiciary Committee Chairman HYDE, Senator KENNEDY, and myself, the court's injunction has been stayed until August 1997.

The provision included in the bill we are considering today is intended to address our concern over that ruling. It has been drafted to be sect neutral. It replaces existing law by providing for reimbursement of nursing services to individuals who decline conventional coverage due to sincerely held religious beliefs. The provision sets up conditions for coverage of religious nonmedical health care institutions under the Medicare and Medicaid Programs, with new mechanisms to ensure cost-control of the benefit.

I want to thank Senator ROTH and Chairman ARCHER, and especially their staffs, for their hard work in crafting a provision which meets the twin concerns of cost-control and constitutionality. I would also like to pay special recognition to Gioia Bonmartini of the Finance Committee staff, and Dean Rosen of the Ways and Means Committee staff, who worked so hard to make certain an acceptable provision was included in the conference agreement.

With respect to the delivery of health care in rural America, I am pleased the report contains provisions I sponsored in the Senate to increase the level of Medicare managed care payments for rural areas of the country. The report provides a minimum payment amount of $367 in 1998 that will be updated annually by the growth in Medicare fee-for-service payments.

Implementation of this provision, although extremely technical in nature, has been a key objective of Utah's managed care community, which will now have the incentives to develop and offer managed care plans in more rural communities.

Before I close my discussion of the health care provisions contained within this legislation, I want to take a few moments to address one of the most important components of the conference agreement, the new child health initiative.

As my colleagues are aware, Senator KENNEDY and I introduced the Child Health Insurance and Lower Deficit Act [CHILD] on April 8. Now, only 114 days later, we are giving final approval to a substantial new program which is very similar to the Hatch/Kennedy bill.

The CHILD bills, S. 525 and S. 526, proposed a program which is extremely similar to that which is contained in the conference agreement we are considering today. The CHILD bills, as with the conference agreement, proposed a State-run block grant program to provide health insurance services to low-income children. The program was to be financed by a cigarette excise tax. Eligibility is to be determined by the States, cost-sharing is limited for the lowest income, and coverage cannot be provided to those who are currently eligible for Medicaid, all provisions contained within our legislation.

It is no secret to Members of this body that the United States has a deplorable record in making certain that our Nation's most vulnerable, our children, have access to health care services. By many estimates, over 10 million of our children are uninsured. That is a situation which must be corrected, and I am pleased, indeed thrilled, that the conference agreement contains this new program.

At this point, I would like to insert a summary of the new provisions for the edification of my colleagues.

Funding level: Provides $24 billion in the first 5 years, and $24 billion in the next 5 years. Note: the funding levels add up to $39.65 billion over the next 10 years because certain Medicaid costs have been taken off the top.

Tobacco tax: Program starts in fiscal year 1998. It is financed in part through a tobacco excise tax increase. There is no increase in the first 2 years. For the next 2 years, there is a 10 cents/pack increase. In the fifth year, fiscal year 2002, and thereafter, the tax is increased by 15 cents/pack.

Use of funds: Funds can be used for State block grants, or expanded Medicaid, or both. Funding can be provided for community-based health delivery systems, such as Community Health Centers. The funds cannot be used for any other purpose than those enunciated in the bill.

Funding distribution: Funds are distributed by a formula which is initially based on the number of low-income uninsured children in the State and in subsequent years blended with the number of children in the State. There is a geographical adjustment for the costs of providing services. No State will get less than $2 million/year. Funds are made available for 3 years, and unused funds can be redistributed among other States.

Medicaid: If a State chooses to insure new children not now eligible for Medicaid under Medicaid, they may receive increased Federal matching equal to 30 percent of the State share, with an 85 percent cap on the Federal contribution.

Secretarial approval of plan: A detailed process is laid out for submission of the State plan, or amendments thereto. Secretarial approval is deemed unless she notifies the State within 90 days that it is disapproved.

Eligibility: States determine eligibility. Generally, children can be covered up to age 19 and at 200 percent of Federal poverty level. However, States which currently are at that coverage level may expand their programs up to 250 percent of FPL. Covered children cannot be eligible for Medicaid now and cannot be covered now under group health plans.

State responsibility: States must show they are: (1) trying to cover Medicaid eligibles first; (2) not substituting the new plan for current group health plan coverage; (3) covering Indian eligibles. States will be required to enunciate strategic objectives and performance goals, submit an annual report, and be subject to regular evaluations as to effectiveness of the plan.

Benefits package: States must provide coverage which is either equivalent to a benchmark package or a equivalent to a benchmark-equivalent package, and they can provide even more from a long list of services, which includes transportation costs, mental health, home care and dental. The benchmark package is either: (1) FEHBP-equivalent coverage, which is Blue Cross/Blue Shield standard option for a preferred provider organization; or (2) a plan generally made available to State employees; or (3) the largest commercial, non-Medicaid HMO in the State. The benchmark equivalent package: (1) Is actuarially equivalent to one of the benchmark plans; and (2) covers the following basic services: Inpatient/outpatient; Physicians surgical and medical; Lab and x ray; Well-baby and well-child care; including immunizations. The State may also get approval from the Secretary to offer other coverage. Current non-Medicaid State plans in New York, Florida and Pennsylvania are grandfathered in.

Cost-sharing: The amounts must be published in the State plan, and imposed under a public schedule. Variations based on family income should not disadvantage lower income families. No cost-sharing for preventive services. If the child has income below 150 percent of Federal poverty level [FPL], the State may not impose a premium above that which would have been charged under Medicaid, and any deductible or other cost-sharing must be nominal, as in Medicaid.

Maintenance of effort: States cannot change their Medicaid eligibility standards in effect as of June 1, 1997.

Abortion: Abortion coverage is specifically precluded, except for rape, incest or life of the mother cases.

Mr. President, I am extremely proud of this legislation. I think that a number of important modifications have been made to the final conference agreement, changes which improve the measure and which will give the States the flexibility they need to operate the program in a most efficient manner.

I will say, though, that I am disappointed at the Congressional Budget Office's estimates that the bill will only cover 3.4 million children, 1.38 million of whom were previously insured. It is no secret that I have been critical of the CBO's earlier estimates which I felt were too low in terms of children covered. I still believe this is the case, and am hopeful that with the flexibility provisions added for the Governors we will be able to cover even more children.

As many have noted, this will be the most important new program to help our Nation's children since enactment of the Medicaid Program over 30 years ago. I am extremely proud to have played a role in its development.

For not only will the bill help provide children with the health insurance they need, it will play the dual role of discouraging them from smoking or using other tobacco products, by increasing the tobacco excise tax.

During this debate, which was often contentious, I asked my colleagues, "Who do you want to help, Joe camel or Joey?" Sometimes it didn't seem clear. But at long last, the Camel is losing, and that is a tremendous benefit for public health.

I do want to take this opportunity to thank those who united behind this effort, and especially the six Republicans who joined me in drafting the original child health legislation: Senators JEFFORDS, STEVENS, SNOWE, COLLINS, CAMPBELL, and SMITH. I also want to pay especial tribute to two Senators who were extremely supportive along the way, Senators DEWINE and D'AMATO, who played a crucial role in supporting this legislation when support was sorely needed.

It is important to note the tremendous leadership role that Senator LOTT played in making certain this provision was incorporated in the final agreement. He is a true friend of our Nation's children. Finance Committee Chairman ROTH must also be praised for his dedication to children's health and toward working out a compromise with the House, and his capable staff Dennis Smith and Julie James deserve especial recognition, as does Howard Cohen of the House Commerce Committee staff.

Of course, no list would be complete without mentioning Senator CHAFEE, who did so much to advance this debate by pointing out the need to maintain a strong Medicaid Program and make certain it is enhanced as we expand children's health funding.

Strong partners in this cause are Senator DASCHLE, who stood up for children's health when his national leaders would not, and Senator MOYNIHAN, who played a crucial role on the Finance Committee. Senator ROCKEFELLER, again, must be noted for his dedication to this cause, and for assuming a strong voice of reason role when cooler heads did not prevail.

And finally, I must pay tribute to my partner in this legislation, Senator KENNEDY. He is the most aggressive and successful legislator I know. And I am proud that when we can unite on a bill, everyone knows it will be a very good bill. Because the products of our legislative liaison always represent the center.

Mr. President, in adopting this legislation today, we are representing our constituents, the large majority of which time and time again have signaled they want to do more for children's health. That day is here.

Mr. President, I am pleased to have the opportunity to vote for this important tax bill.

I, again, want to express my appreciation, love, and respect for the distinguished chairman of this committee and the distinguished ranking member, Senator ROTH and Senator MOYNIHAN, and the concomitant leaders in the Ways and Means Committee in the House.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I want to express my appreciation for the generous comments the distinguished Senator from Utah had about me. I have enjoyed working with him on this most important matter.

At this time I would like to make a point of order that a quorum is not present.

Mr. DURBIN. Mr. President, if I might seek recognition before the Senator from Delaware makes that point?

Mr. ROTH. I am looking for my Democratic counterpart.

The PRESIDING OFFICER. Who yields time?

Mr. ROTH. The Senator can yield to himself whatever time he needs.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, we have reached a historic juncture. Our Nation has not had a balanced budget since fiscal year 1969, the last budget year of President Lyndon Johnson's tenure. The budget deficit began to grow under President Nixon, rose to $74 billion during the recession we faced under President Ford, dipped and then steadied under President Carter, until recession hit again and pushed the deficit to nearly $80 billion. Then it ballooned to more than $200 billion after the Reagan tax cuts in the early 1980's. It declined to around $150 billion, then skyrocketed during the recession under President Bush. Quite a roller coaster ride; all of it in red ink.

Many of us believed we could meet our responsibility to live within our means while helping our economy to move forward. What we needed was leadership, not only in the White House but on Capitol Hill. When President Clinton arrived, the deficit stood at an all-time high of $290 billion. The economy was in stall. It was not mere luck which has given us 7 years of economic growth and a declining deficit. Many circumstances are beyond the control of any political leader, but leaders can make a difference.

President Clinton set a course for economic growth and spending reduction and invited the Nation to follow. It was difficult medicine: Tax increases for those who had benefited most from the tax breaks of the 1980s, spending reductions in programs most Americans support, targeted tax relief for working families, and targeted investments in programs that would strengthen the Nation.

Congress took the decisive and difficult step of passing President Clinton's deficit reduction and economic growth package. It was a politically costly step. It cost many Members their political lives. Unfortunately, not a single Republican supported the President's plan and it passed in this Chamber only when Vice President GORE cast the tie-breaking vote. But it laid the groundwork for the budget package before us.

The difficult votes some of us cast in 1993 helped to produce a strong, growing economy with a Federal budget deficit that has declined steadily. The deficit was $290 billion when the President took office. It is conservatively estimated to be $67 billion this year, and could end up below $40 billion. Deficit reduction and targeted investment stimulated economic expansion, which created more revenue and produced more deficit reduction, so that now some people really anticipate the possibility that we will achieve a balanced budget as early as next year. When we considered President Clinton's plan, it was called a deficit reduction plan. No one dreamed that it would end up being a balanced budget plan. To the surprise of most economists, that possibility is within our grasp, even this year.

All of this occurred because of President Clinton's leadership and the support of the Democrats in Congress in 1993. We can be proud of these achievements. We can take some satisfaction in knowing that our hard work in 1993 made it possible for another exercise of leadership in 1997, to produce this balanced budget resolution. We can also take some satisfaction in knowing the economy is strong. Look at the report card. Unemployment and inflation, the combined rate, 8.7 percent, the best since President Lyndon Johnson.

Mr. DASCHLE. Mr. President, will the Senator from Illinois yield for just a moment?

Mr. DURBIN. I will be happy to yield to the minority leader.

Mr. DASCHLE. I wonder, and I apologize again and thank him for yielding, I wonder if I might make a unanimous consent—or just note the absence of a quorum in order to consult with the distinguished Senator?

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. DURBIN. Thank you, Mr. President.

I was speaking before the call of the quorum about the economic report card that we can point to with pride that we have 2.8 percent annual average inflation, the best since President Kennedy; 12.1 million new jobs in this period of time, the best ever; 1.1 million new construction jobs, the best since President Harry Truman; a 14-percent increase in consumer confidence, the best since President Eisenhower. The list goes on and on.

This budget agreement that we consider today continues the fiscal responsibility that we have shown since 1993. It includes the spending cuts we need to balance the budget by 2002 and sets the stage for continued balanced budgets beyond 2002.

What this budget package shows is that the two parties can work together to make the necessary choices to balance the budget and address the needs of the American people.

Is this the budget that I would have written? No, I would have changed a lot of the provisions. This is probably not the budget that any single Member of this body would have written, but it is a credible effort, a reasonable compromise. It is worthy of our support. No compromise is perfect, but this package will give many Illinois working families much-needed help in paying for the cost of raising kids and sending them to college. It addresses today's economic needs and realities, whether it is paying for day care, braces, health insurance, for kids or college tuition.

In addition to providing fairness for working families, it provides fairness for seniors, extending the Medicare Program with reforms that protect the most vulnerable. It eliminates some provisions adopted on the Senate floor which would have raised, for example, the Medicare eligibility age from 65 to 67 over a 20-year period of time, and it addresses the concern that farmers and small businessowners should be able to pass on their business and their farm to their children without a great estate tax responsibility.

The spending bill that we consider preserves the budget and strengthens the Medicare Program. The Republican Contract With America, which was considered several years ago by Speaker GINGRICH and many Republicans Senators supported, would have cut $270 billion out of Medicare over 7 years, a massive cutback in Medicare that would have imposed excessive new burdens on our Nation's seniors. This budget package cuts $115 billion over 5 years, without excessive new burdens on seniors.

It extends the solvency of Medicare for 10 years, keeping our word to seniors to keep this program strong. It limits the increased burdens on our elderly seniors who live on limited incomes and are already paying a large portion of their incomes in medical costs.

It allows for increased numbers of Medicare health plan choices for our seniors, especially in rural areas. It includes a new package of preventive benefits, including annual mammograms, diabetes self-management, and prostate colorectal cancer screening.

It also includes nearly $1 billion in new spending for rural health initiatives.

When it comes to Medicaid, this is also a good agreement. The Republican proposal in 1995 would have cut $163 billion from the Medicaid Program over 7 years. That would have risked the health of seniors, children, and pregnant women who count on Medicaid for basic health care and for many seniors' long-term care. This budget cuts only $13 billion from Medicaid over 5 years. We have balanced the budget without jeopardizing the safety net for Americans who lack health insurance.

This agreement marks a historic commitment to our Nation's children. The package sets aside $24 billion for children's health insurance. Over 10 million of our children are currently uninsured. This bill could help up to 7 million of these children become insured. I am certain that in so doing, it will take a great burden off the minds of many working families who don't earn enough money to be able to pay for health insurance today or don't have a benefits package at work that provides health insurance for their families.

The one thing this budget package does, which I think is long overdue, is it provides funding to restore the unfair welfare reform provisions that would otherwise cut off SSI legal immigrants who are playing by the rules and paying their taxes but have become disabled or may become disabled in the future. Without this budget agreement, over 22,000 elderly or disabled legal immigrants in my State of Illinois would face the loss of their SSI in October. For many of them, this is their only form of support. I supported the welfare reform bill, but I agreed with President Clinton that this was one provision that needed to be corrected. This agreement, this bill, will correct it.

This agreement also commits $3 billion to assist welfare recipients to move into work slots. The basic principle of welfare reform was that able-bodied adults should be put back to work. This assistance helps the States accomplish that goal. The Republican budget in 1995 would have imposed devastating spending cuts in education, environmental protection and crime prevention, but this budget protects the President's priorities in those areas, and the agreement on which this is based calls for a substantial increase in education funding.

The tax-cut bill offers valuable tax relief to millions of working families, with a net tax cut of around $95 billion over the next 5 years, tax cuts that are direct dividends of the 1993 budget bill.

This package includes a $500-per-child tax credit for children under the age of 17, beginning in 1999, with a $400 credit in 1998. The credit will be calculated before the earned-income tax credit to maintain the valuable work incentives associated with that credit, and it would be refundable against the payroll tax for larger families that face the great expense of raising the next generation.

This credit, which costs $85 billion over 5 years, is the largest tax cut in this package and one of its most important investments. An estimated 13 million children in families earning less than $30,000 will receive this valuable assistance which they can use to pay for day care, braces, or any other expenses the family faces, or to save for the future. This child credit begins to phase out for individuals earning $75,000 and couples making $110,000, higher than the President sought. More importantly, some families earning as little as $18,000 who pay payroll taxes but little or no taxes would also qualify, which Republicans have resisted.

Education tax credits: This tax cut package also includes the President's education tax credit proposal, which I strongly supported. With a value of $40 billion over 5 years, it constitutes the largest increase in Federal education assistance since the GI bill after World War II.

This package contains everything President Clinton asked for in educational tax benefits. If we as a society want to show our youth the value we place on education, we need to invest in education. This package does that, with tax relief for college tuition costs and increases in spending for scholarship grants, literacy programs, and student loans.

This measure includes $31 billion over 5 years that will allow middle-income families to receive up to $1,500 in tax credits to offset the cost of the first 2 years of college. Families will be able to take the credit against the first $1,000 of costs, plus half of the next $1,000 of costs. Juniors, seniors, and part-time students can take a credit of 20 percent of the first $5,000 of costs, to help families afford the continuing costs of higher education.

In addition, there are $9 billion of other education tax incentives, including an extension of the exemption for employer-paid undergraduate tuition, which allows companies to help their employees improve their skills and knowledge.

Estate tax: The estate tax exemption for farmers and small businesses will be increased to $1.3 billion next year. This would allow family farmers and family-owned businesses to pass down the fruits of their hard work to their children and grandchildren. The estate tax will also be raised gradually for all other Americans, to $1 million over the next 10 years, which recognizes the effects of inflation on the existing exemption.

Capital gains from home sales: For many families without children or whose children have grown, the most important tax break in this bill may be the capital gains exclusion for up to $500,000 in profits on the sale of a home. This will help retirees who want to move to a smaller home without adverse tax consequences.

Improvements: There are a number of improvements in this bill over the original Republican plans: The extension of the airline ticket tax has been improved. Capital gains will not be indexed for inflation, a GOP proposal that would have mainly benefited the most wealthy of Americans and would have created enormous pressure on the budget in future years. Also gone is a GOP demand to pay less than the minimum wage to people who move from welfare to subsidized public and nonprofit jobs, and to deny coverage under worker-protection laws.

Flaws: Unfortunately, the tax cut bill has a number of flaws.

The bill waits far too long to increase the tax deduction for health insurance for self-employed people to 100 percent. I have worked to give farmers and small businessowners parity with the corporations they compete with. Corporations can take a 100-percent deduction for health insurance premiums. The self-employed should be able to do the same. This bill does not move the deduction to 50 percent until the year 2000 and waits until 2007 to provide a 100-percent deduction. We can do better than that.

The conferees also dropped the extension of the ethanol excise tax incentive. I will continue to work for this important measure as part of the highway reauthorization bill.

The cigarette tax increase—which would discourage our young people from beginning a lifelong tobacco addiction—was reduced and delayed to the year 2000.

And we must be vigilant in monitoring the impact of some of the tax cuts in future years beyond 2002, because some of the provisions that primarily benefit investors and the wealthy could explode in costs in the coming decade. We could have better used that money for provisions like the self-employed health insurance deduction and the ethanol incentive.

CONCLUSION

On balance, both the spending cut package and the tax cut package are worthy of support. They will balance the budget without putting an undue burden on our most vulnerable people, take some important steps to address problems such as the lack of health insurance among our children, and give tax relief to working families who need it most. I am pleased to support this package.

POINT OF ORDER

Mr. President, at this point, I raise a point of order that section 1604(f)(3) of the bill, H.R. 2014, contains provisions that produce no change in outlays or revenues during the required period of time and, therefore, violates section 313(b)(1)(A) of the Congressional Budget Act of 1974.

The provision which I make reference to would automatically assume that the tobacco tax increase, which is part of this bill, would be credited on behalf of the tobacco companies as part of any settlement that might be reached by Congress at a later date. This is a $50 billion windfall for the tobacco companies, which would absolve them from responsibilities which they have publicly said that they will assume.

This $50 billion would be taken out of programs that we think are necessary for public health, including enforcement of the agreement, public information campaign, smoking cessation clinics and the like.

So, Mr. President, I raise my point of order at this time.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I move to waive all points of order against the bill that lie under section 313 of the Budget Act. I do so because I rise in opposition to this point of order. The provision in question was agreed to at the leadership level in the context of the budget negotiations, and I have to point out that if this point of order succeeds, it will delay the bill and, once again, Congress and the Senate, in particular, would send the wrong message to the American people.

By delaying the action, if this point of order were to succeed, it would mean the legislation would have to be returned to the U.S. House of Representatives, acted upon there, before it could return here. I think that is a delay that the Senate does not seek to choose.

I do not believe that we should delay this historic opportunity that is within our grasp and, for procedural reasons, I intend to vote against this point of order and urge my colleagues to do the same.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, might I say that in the judgment of this Senator, the section that the distinguished Senator from Illinois wishes to remove is a meaningless provision, with no binding effect. I point out that the administration has agreed to it, and I offer the counsel, unsolicited but certainly well meaning, to my friend from Illinois, that if he feels he has an important issue here, may I suggest to him the issue would be a lot more salient in the months and years to come if it is in a statute. It can emerge and we can discuss it at that time. So I join the Senator from Delaware.

Mr. KENNEDY. Mr. President, I support Senator DURBIN's point of order under the Byrd Rule, which would strike from the tax legislation what should be called the ''Joe Camel Tobacco Loophole.''

This loophole will allow the tobacco industry to credit the new 15-cent cigarette tax against the $368 billion it must pay in injury claims and other health expenses under the so-called ''global settlement.''

Over the next ten years, the loophole would add a $16 billion tax break for the tobacco industry, which peddles in deadly products that already addict 50 million Americans, and cost society $100 billion annually in medical expenses and lost productivity.

The tobacco industry was also able to water down the 20-cent increase in the cigarette tax to fund children's health, despite the fact that it had overwhelming public support and passed the Senate last month by a vote of 80 to 19.

The lesson is clear. Joe Camel still prowls the halls of Congress. When tobacco issues are discussed in the light of day, the American people win. When the debate moves into the back rooms, the tobacco industry's interests come first, and the public interest comes last.

It's time that Congress stood up to the tobacco industry and said ''no'' to Joe Camel and the Marlboro Man. This tobacco loophole has no place in this bill, and I urge my colleagues to support the Durbin point of order.

Mr. LAUTENBERG. Mr. President, I rise in strong opposition to this motion to waive the Byrd rule.

Mr. President, this has been a long budget process and we are near completion of these important bills. However we are still in the midst of a battle to save our kids from the health hazards and addiction of tobacco. This battle has just started. However, there are some in Congress who are hijacking this budget reconciliation process in an attempt to give the tobacco industry the upper hand in legislation implementing a global settlement of claims against the tobacco industry.

We cannot allow this to happen. That is why I am opposing this motion to waive the Byrd rule. Mr. President, the distinguished Senator from Illinois has raised a point of order to a provision in the tax bill conference report that would credit the tobacco industry toward payments due on any legislative settlement with the revenue raised by the tobacco tax. This is ridiculous. This revenue is targeted toward children's health in this package. You can't have two uses for one revenue source.

This is simply a nonsensical device designed to give yet another break to the tobacco lobby. Well, I will do everything I can to prevent this from happening in a global settlement.

Mr. DURBIN addressed the Chair.

Mr. ROTH. Mr. President, once again, I urge Members of the Senate to support my waiver. If my colleague is ready, I yield back the remainder of my time.

Mr. MOYNIHAN. I yield back the remainder of my time.

Mr. DURBIN addressed the Chair.

The PRESIDING OFFICER. All time has been yielded back.

Mr. DURBIN. Parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. State your inquiry.

Mr. DURBIN. Mr. President, could the Chair inform whether this motion is debatable?

The PRESIDING OFFICER. It was debatable, but time has been yielded back.

Mr. DURBIN. Mr. President, I was seeking recognition during the course of debate. Does that give me——

The PRESIDING OFFICER. The Senator from Illinois does not control the time. The time is under the control of the two bill managers.

Mr. DURBIN. Thank you, Mr. President.

Mr. MOYNIHAN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to waive all points of order with respect to the conference report on H.R. 2014. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 78, nays 22, as follows:

[Rollcall Vote No. 210 Leg.]

YEAS—78

Abraham	Feinstein	Lieberman
Allard	Ford	Lott
Ashcroft	Frist	Lugar
Baucus	Gorton	Mack
Bennett	Graham	McCain
Biden	Gramm	McConnell
Bond	Grams	Mikulski
Breaux	Grassley	Moynihan
Brownback	Gregg	Murkowski
Burns	Hagel	Nickles
Campbell	Hatch	Robb
Chafee	Helms	Roberts
Cleland	Hollings	Rockefeller
Coats	Hutchinson	Roth
Cochran	Hutchison	Santorum
Collins	Inhofe	Sessions
Conrad	Inouye	Shelby
Coverdell	Jeffords	Smith (NH)
Craig	Johnson	Smith (OR)
D'Amato	Kempthorne	Snowe
Daschle	Kerrey	Specter
DeWine	Kerry	Stevens
Dodd	Kohl	Thomas
Domenici	Kyl	Thompson
Enzi	Landrieu	Thurmond
Faircloth	Levin	Warner

NAYS—22

Akaka	Feingold	Reed
Bingaman	Glenn	Reid
Boxer	Harkin	Sarbanes
Bryan	Kennedy	Torricelli
Bumpers	Lautenberg	Wellstone
Byrd	Leahy	Wyden
Dorgan	Moseley-Braun	
Durbin	Murray	

The PRESIDING OFFICER (Mr. ABRAHAM). On this vote the yeas are 78, the nays are 22. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to, and the point of order falls.

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. CHAFEE. Mr. President, I applaud the Republican leadership as well as the administration for putting together this tax bill, which is an integral component of the overall plan to balance the Federal budget. While I have not been an enthusiastic supporter of tax cuts at this time, there are provisions in this bill that I have vigorously sought to have enacted, and which will significantly help the people in my home State of Rhode Island, as well as the entire country.

The centerpiece of the tax bill is the $500 per child tax credit. For a married couple with two children that's an extra $1,000 for them to spend as they see fit.

The bill also includes several provisions that help families meet the cost of sending their children to college. Under the bill, low- and middle-income families can qualify for income tax credits of up to $1,500 to offset the cost of college tuition. To help families save for education expenses, the bill establishes education savings accounts. Contributions to these accounts are not tax deductible, but distributions are tax-free if used for tuition, room and board expenses.

I am also pleased that the conferees chose to include an extension of the tax break afforded to employer-provided education. Under current law, an employee is not taxed on amounts paid by an employer for educational assistance. The exclusion is limited to $5,250 annually. The anecdotal evidence indicates that this fringe benefit is most often utilized by lower income workers as a way to develop the skills necessary to land better paying jobs.

This budget agreement includes several provisions that will encourage savings and investment. The most important of those provisions is the reduction in the tax rate on capital gains. The bill lowers the top rate on capital gains from 28 to 20 percent. For lower income individuals the rate on capital gains is reduced to 10 percent. At the turn of the century, the capital gains tax rate will be reduced further to 18 and 8 percent, respectively, for investors willing to hold their investments for at least 5 years.

Last year, Congress created the work opportunity tax credit [WOTC] as a way to encourage employers to hire economically disadvantaged individuals. These are individuals who have little or no job skills and as a result are not attractive candidates for employment. The WOTC Program provides employers an income tax credit for a portion of the first year's wages paid to these individuals. The bill before us extends this program through June of next year.

More importantly, this bill makes two improvements to the WOTC Program. First, the bill creates a two-tiered credit to make it easier for employers to utilize the program. This is necessary because many employers were finding it difficult to retain these employees for the full work requirement period, namely 400 hours, and as a result were losing the benefits of the tax credit. In many cases the employers were spending the money to train the employees only to have them leave shortly thereafter for higher paying jobs. Without some reward for their efforts, employers were simply dropping their programs.

Under the new structure, employers would be eligible for a reduced credit if the employee works for at least 120 hours, even if the employee fails to meet the full 400 work hour requirement.

The second change makes the work opportunity tax credit available to disabled individuals receiving SSI payments. These individuals were inexplicably excluded from participation when the WOTC Program was created last year, and I am glad this bill corrects that error.

The agreement also includes two important provisions for small business men and women. It delays the implementation of the electronic funds tax payment system for 6 months to give businesses more time to get used to this new manner of paying their tax bills.

The legislation also makes it easier for self-employed individuals who work at home to take an income tax deduction for that portion of the home used exclusively for business purposes.

The bill also includes the repeal of the excise tax imposed upon boat diesel fuel. This tax, and the dyeing regime imposed by Treasury, has wreaked havoc with boaters across the country. It caused many retailers to choose between selling to recreational or selling to commercial boat owners, with the recreational boaters usually being left without service. This led to shortages in many parts of the country and numerous cases wee reported in which recreational boaters had to go far out of their way or travel many additional hours to obtain fuel legally.

Finally, I am very pleased that this bill includes a version of legislation I authored that creates a powerful new tax incentive to encourage individuals to preserve open space. A serious environmental problem facing the country today is the loss of open space to development. All across the country, farms, ranches, forests, and wetlands are forced to give way to the pressures for new office buildings, shopping malls and housing developments.

America is losing over 4 square miles of land to development every day. In Rhode Island, over 11,000 acres of farmland have been lost to development since 1974. These open spaces improve the quality of life for Americans throughout this great Nation and provide important habitat for fish and wildlife.

In many instances, the loss of open space is simply the natural outgrowth of urbanization of our society. Other times it is the direct result of improper planning at the State and local levels.

But frequently, the problem is created by the Federal estate tax. For those families where undeveloped land represents a significant portion of the estate's total value, the need to pay the tax creates powerful pressure to develop or sell off part or all of the land or to liquidate the timber resources on the land. Because land is appraised by the Internal Revenue Service according to its highest and best use, and such use is often its development value, the effect of the tax is to make retention of undeveloped land nearly impossible.

The bill begins to address the problem caused by the estate tax. The bill includes a proposal that is modeled after legislation I introduced earlier this year along with Senators BAUCUS and GREGG. It excludes 40 percent of the value of land subject to a conservation easement from the estate and gift taxes.

In order to target the incentives under this bill to those areas that are truly at risk for development, the bill is limited to land that falls within a 25-mile radius of a metropolitan area, a national park or a national wilderness area, or within 10 miles of an urban national forest.

Of course, as is the case with all major bills, there are a few provisions in this agreement that I do not support. One such provision is the restructured aviation trust fund taxes.

As my colleagues know, currently the aviation trust fund is principally financed by a 10 percent ticket tax. High-cost airlines—the so-called big seven—have been lobbying Congress for the past 2 years to restructure the aviation trust fund revenues. The big seven argue that they want to restructure the fees so that the burdens of funding the Federal Aviation Administration are more fairly allocated. But this proposal does not do that. In reality, it is a thinly veiled attempt to shift a portion of their costs to other airlines—principally low-fare airlines.

Let me expose the folly of this new system. The big seven would have us believe that their system—which is more or less the proposal adopted by the conferees—is grounded in fairness. Yet, this new system does nothing to address the huge loophole under which they avoid paying the tax on their international flights.

Let me explain. If Continental Airlines flies from Los Angeles to New York, stops for less than 12 hours, and then continues on to London, the new fee structure does not apply to that flight. In other words, the passengers on that flight do not pay the 7.5 percent ticket tax, nor do they pay the new head tax, notwithstanding the fact that this flight clearly utilizes the services of the Federal Aviation Administration as it flies completely across the country.

It is particularly regrettable that the conferees have chosen to implement this new fee structure prior to the issuance of the report from the commission Congress established to study this matter. In October 1996 Congress directed that a commission be formed to assess the FAA's funding needs and the costs imposed on the system by each segment of the aviation industry. This report was originally scheduled for completion in April 1997, but its issuance was delayed until September. It is incomprehensible to me that the conferees would agree to take the unusual step of changing the makeup of the ticket tax before the commission's report was received.

Mr. President, this is one aspect of this budget agreement that I hope we will revisit once the commission's report is received and can be reviewed.

I also oppose the agreement's provision extending the diesel dyeing requirements to kerosene. Since 1995, there has been substantial debate about the proper tax treatment for kerosene. More than 90 percent of kerosene consumed in the United States is used for aviation purpose; accordingly, the fuel is currently classified and taxed as an aviation fuel.

Kerosene is also blended during cold weather with diesel fuel and home heating oil to prevent those fuels from congealing; and it is treated, for tax purposes, as the fuel into which it is blended. Thus, if kerosene is blended with undyed diesel fuel, it is taxed as diesel fuel; if it is blended with dyed home heating oil, it is exempt from tax.

This bill imposes a 24.3 cents-per-gallon excise tax on kerosene when it is removed from the terminal, classifying it as diesel and subjecting it to the same tax and dye program.

Because tankage in the Northeast is limited, terminals are likely to have space only for undyed kerosene. Such fuel is subject to tax when it is pulled from the rack; and, dealers who sell it directly as a heating fuel or as a blandstock for distillate, and farmers blending it as an off-highway fuel will be forced to apply for refunds of taxes paid.

This proposal also raises safety concerns. The New England Association of Fire Marshals and the Consumer Product Safety Commission have raised health and safety concerns about the use of dyed fuels in unvented heaters. Most kerosene heaters have been certified by the United Laboratories and similar organizations as safe only if they burn clear, undyed fuel. Accordingly, there is little information available about the effects of dyed fuel on these heaters, and it would take several years to have them retested and recertified to burn dyed fuel.

In closing, I would like to express my appreciation and admiration to the chairman of the Finance Committee, Senator ROTH, who did a wonderful job of guiding this legislation to this point. Without his willingness to work with all members of the committee, and indeed the entire Senate, this bill would have had little chance of success.

Mr. KERREY. Mr. President, I support this tax bill as a way to give working families tax relief and continue our economic growth.

I'm delighted that the tax cuts for working families in this agreement were made more progressive by Democrats.

I support estate tax relief targeted at family farms and small businesses as well as a phase-up in the self-employed health deduction to 100 percent.

And I am pleased this agreement left out attempts by the other body to raise taxes on ethanol and make it too easy for employers to reclassify their employees as independent contractors. I would have been hard-pressed to support this agreement had the language on independent contractors survived knowing that having this provision in law would have had significant and harmful effects on the health and financial well-being of American workers. Consider that under current law, only 2 percent of independent contractors have health and retirement benefits, while 50 percent of private employees have those benefits—adopting the language proposed by the other body would surely have had harmful health and financial consequences for the American worker.

Mr. President, I am pleased that a number of savings and investment incentives like expanded IRA's and education IRA's are included in this agreement. These provisions are good for what they are. However, I fear that the people who most need to generate wealth for their families—middle- and lower-income people—will have the toughest time taking advantage of these provisions. That is why I am so sorely disappointed that the conferees chose not to include a robust form of KidSave in their final agreement. Indeed, given the option I would go further than KidSave by allowing taxpayers to keep a portion of their payroll taxes in personal savings.

And I support the emphasis on education contained in this bill although I am not convinced the money we will spend on some of these initiatives is the most efficient or effective way to make sure more kids have access to higher education.

Mr. President, in many ways voting for this bill is a close call for me. Much of what was good in the Senate Finance bill has been thrown overboard. And that bill, while complex, pales in comparison to the complexity of this bill.

Still, I believe this bill will provide tax relief that working families need. I am especially pleased with the improvements Democrats secured to make this bill more progressive and in making this bill reach more working families. I'm also pleased by the emphasis on education in this agreement, if not by the details of that emphasis.

So, Mr. President, while I intend to vote for this tax package, I am decidedly unenthusiastic about what we have not done in this tax package and in this balanced budget package overall: we have not taken the first steps toward long-term entitlement reform that recognizes the seismic impact the retirement of the Baby Boom generation will have on the budget, both in terms of its fiscal balance, the solvency of the programs that comprise our retirement safety net and the balance between mandatory and discretionary spending.

Specifically, I am disappointed in two aspects of the tax bill.

First, I am disappointed that the bill does not address what I believe is the most pressing challenge families face in a global economy: the need to build wealth.

Mr. President, I ask my colleagues to take a step back from the rhetoric on this issue and consider the fact that increased income—which is the object of these tax cuts—and increased wealth are very different things, and they are particularly different today because, in my analysis, the global economy is devaluing one—income—while enhancing the value of the other: wealth.

Let me start with a set of definitions: Income is the regular inflow of resources on which we depend to pay our bills and live our lives. Wealth is the ownership of assets that gain in value.

Anyone who's played the old board game Monopoly knows this difference. Most 10-year-old children who have played this game will tell you that you don't win by going around and around the board, collecting $200 every time you pass Go.'' You win by carving out some of that income to buy properties that grow in value. It seems to me, Mr. President, that focusing on working families' income—which is certainly important—while ignoring whether they have wealth is like trapping them in a game of Monopoly in which all we care about is sending them around and around the board, passing Go'' and collecting $200, while ignoring the fact that they don't have enough income left over to build a stake of ownership and get ahead.

The difference may be best illustrated by the recent stock market boom and, just as important, who has benefited from it. Let me open with the simple proposition that those who own wealth in the stock market own more than a few shares in a mutual fund—they own a piece of our economy. They own a stake in it. When the economy succeeds, they succeed. And what they own—capital, and a stake of ownership in the means of production—is the asset that this economy is rewarding.

Families need a stake of ownership, Mr. President, because I believe it is the principal factor that will determine whether the global economy works for them—because it rewards ownership of capital, the scarce factor of production that is in wide demand all over the globe—or against them, because the expanding global labor pool means those who earn their income exclusively from work are facing more and more competition that is bidding the value of their services down.

Wealth is also important in a global economy because it provides the security—for rainy days, for retirement—that a global economy requires. I do not believe that ownership of the means of production and ownership of a stake in our economy should be limited to the privileged few. I want every American to have access to it.

I must say that therein lies my ambivalence toward the capital gains and estate tax provisions of this bill. I supported both, but I note for my colleagues' consideration that the estate tax only impacts 2 percent of Americans who die each year. The other 98 percent do not have estates worth $600,000. I'd be willing to bet that a lot people in this country have only a fuzzy notion of what a capital gain is because they do not own capital. And I fear that we may have gone too far in rewarding people who generate income from capital to the detriment of those who generate income from getting up at 6 every morning and putting in an 8 or 10 hour day.

And while I supported both of these provisions, I deeply regret that this budget does not address the ability of the other 98 percent of Americans to build estates and ownership of capital.

Even as the importance of wealth is growing, the gap in who owns it and who does not is growing too.

The question, Mr. President, is: Where does wealth come from and why do working families not have it? The answer is that wealth is built by saving and investing over a long period of time, which requires disposable income that many families lack.

I had hoped we would target tax relief toward freeing the disposable income that working families need. I have proposed doing so by cutting the biggest tax working families face: the payroll tax. I call this tax ''The Forgotten Tax.'' I had lobbyists knocking on my door to discuss every arcana of tax law, but not once did someone knock on my door to talk about this tax. I hope we'll take a close look at it and talk about how this tax can be cut to give the working families on whom it imposes its greatest burden a way to generate wealth through personal savings.

We missed another important opportunity to help families build wealth. KidSave, a term that is being bandied about to describe policies that are foreign to its purpose, would have converted the $500-per-child tax credit from one that increases consumption by $10 a week to one that allowed families to build a stake of ownership in the economy, which, as I have said, I believe is more important than increasing their income, as much as I support that goal. I believe this one provision, which was dropped, could have laid down the savings infrastructure that our children will need in the 21st century to build a stake of ownership in the economy.

I am pleased that this bill would expand IRA's and allow parents to open higher education IRA for their children which would become IRAs in the child's name at age 30 if the child did not use them for higher education. However, the savings initiatives contained in this bill are voluntary and for most people they will probably not be ''sweet'' enough get the people who most need to build wealth, to do so.

Second, I also fear this bill will come to be known as the Tax Complication Act of 1997. This tax bill is going to be a bear to administer and a bear for taxpayers to understand. As the Washington Post noted earlier this week, Conceivably an individual reaching retirement age could have an IRA with deductible contributions, nondeductible contributions, one rolled over from an employer plan and one of the new backloaded ones. As the Post dryly notes, calculating the required withdrawals and taxes would be ''an adventure.''

As I am sure everyone in this chamber knows, not only are there different income phaseouts for the front and back-loaded IRA's in this bill, there is still yet another phaseout for rollovers from front to back loaded IRAs.

I don't mean to single out any one provision for its complexity factor. Here is yet another: Your capital gains rate. Just what is the rate under this bill you might ask? That seems like a pretty straightforward question but not so fast.

Assets held for zero to twelve months will be taxed under this bill at ordinary income rates—a top rate of 39.6 in other words. Assets held for 12–18 months and sold will be taxed at the current maximum capital gains rate of 28 percent. Assets held for eighteen months or more will get either a 20 percent, or ten percent rate. Assets disposed of between May 7 and July 29 and held for 12 months will get a 20 percent rate.

But wait, there is more. We have a new 5 year holding period rate. People paying taxes at the 15 percent rate would get an 8 percent capital gains rate on assets held for 5 years beginning now. People above the 15 percent rate would have to wait until the year 2001 to get the 5 year holding period going, could even take old assets and bring them up to current value without disposing of them, hold them for 5 years, and get an 18 percent rate in the year 2006.

Oh, and if you own commercial real estate, the rules are different as well. Under this bill, the depreciated portion of your real estate is taxed at 25 percent, the amount above that amount is at 20.

If you are working, but not wealthy, and you have more than two children, you'll probably need to spend some of your child credit hiring someone to figure out your child credit. Under this bill, someone with one or two kids would get the child credit before their earned income tax credit. But if you have three or more kids, you would have the option of figuring your tax two ways: either take the credit before the EITC or take the credit up to your employee FICA and income taxes minus your EITC. At this point, as I understand it, you are no longer even receiving a child credit. If you get the child credit this way, you are getting a supplemental child credit, not, presumably and actual child credit.

Just one more example. The education initiatives. Believe me, in order to figure them out, you are going to need a degree in accounting before you are able to do your own taxes. Under this agreement, the HOPE credit gives you a 100 percent credit up to $1,000 the first 2 years, and 50 percent of $1,000 the second 2 years for ''eligible expenses.'' That is on a per student basis and it begins in January of 1998. In addition, this agreement has a lifetime learning component which provides a 20 percent credit for up to $5,000 in expenses on a per family basis which in 2002 becomes a 20 percent credit against $10,000. That provision begins on July 1, 1998. The HOPE credit is indexed in 2001, the lifetime learning piece is not. Income limits for both are indexed in 2001.

Having expressed those concerns, I do not want to underestimate the magnitude of the achievement. Continuing the job of balancing the budget will advance the goal of economic growth. The expanded reach of the $500-per-child tax credit means real relief for real families. The great American institution called the family farm will have a greater opportunity to stay in families. I repeat: I vote yes for what we have done here, for what we achieved, but with regret for the challenges we chose not to tackle. We have thrown a first down pass, and the cheers from the crowd are deserved. But a long distance remains to the goal line: a federal budget that can cope with the demographic challenges we face while still preserving our priorities as Americans.

Mr. ROBERTS. Mr. President, I rise today to support—and reflect—on the Taxpayer Relief Act, which will be passed by the Senate tomorrow. I am pleased that at long last we are providing tax relief to our Nation's family farms and businesses and to many individual Americans. My philosophy long has been that if we can allow any American to keep one extra dollar of his or her hard-earned income, we have achieved a measure of victory.

At the same time, I have serious concerns about major parts of this legislation.

First, let me review some victories. As former Chairman of the House Committee on Agriculture, I helped steer Freedom to Farm legislation through Congress. It was an important step in returning agriculture to the free-market and removing the Government from the operation of family farms. However, that historic farm legislation will be successful only if we take steps on the other side of the ledger that give farmers the tools they need to compete. High on that list are capital gains and estate tax relief, which are included in this tax bill.

I have received numerous letters and phone calls from constituents who purchased their farms and businesses 40, 50, or 60 years ago. These people want to pass their family farms and businesses to their children, but cannot because of burdensome capital gains and estate taxes. I have long argued that it is unfair to tax a family's income three times—once as income, once as capital gains, and once as an inheritance. Although this bill does not eliminate capital gains and estate taxes, the increased exemption for estate taxes and reduced capital gains rate will make it possible for numerous parents to pass their farms and businesses on to their children.

I am also pleased we have achieved repeal of the AMT for deferred payment commodity contracts and income averaging. A farmer must deal with drought, floods, freezes, and insects, any of which can destroy or severely harm their crops. Thus, farmers often experience large fluctuations in income from year to year. These provisions provide important tools for managing these income fluctuations. While something is always better than nothing, I am disappointed that income averaging will only apply to the 1998 and 1999 crop years and not the full remaining 6 years of the farm bill.

I am also pleased that the bill does not include the onerous House provisions that would have taxed the tuition waivers received by graduate teaching and research assistants at universities throughout the country. Acceptance of these provisions would have sharply cut access to graduate school for many students, created teaching shortages, and greatly increased the cost of continuing important research projects.

Mr. President, while I am happy to see these provisions included in the Taxpayer Relief Act, I also have serious concerns with several provisions of this bill.

First, at a time when Americans have asked us to lower their tax burden and make the tax code less complex, this bill actually increases the complexity of the tax code. We have obtained a reduction in the capital gains rate. At the same time we have set up six different capital gains rates: 28 percent for collectibles; 25 percent for recaptured depreciation on investment real estate; 20 percent for all other capital gains, falling to 18 percent beginning in 2001 for assets held longer than 5 years; A 10 percent rate for those earning less than $41,200/year, falling to a rate of 8 percent in 2001 on assets held longer than 5 years.

If you include the corporate capital gains rate, we now have seven capital gains tax rates. Only in Washington is an expansion from 3 to 7 tax brackets called simplification.

There are numerous examples where this bill will make the tax code more complex.

High on that list is the incomprehensible maze of individual retirement accounts set up by the bill. There is no escaping the fact American families may need a tax lawyer to establish an IRA—but they most certainly will need a lawyer to sort through withdrawal of money from their IRA's.

Additionally, this bill tells Americans: ''The Federal Government will reward you for having children. The Federal Government will reward you for limiting your income.''

Have a child, get a $500 credit on your taxes. But if you are a family making over $110,000 per year you get none of the benefits. Nearly all of the bill's rewards, in fact, are subject to income limits.

That is a clear message.

That is more social engineering than tax policy.

Could we achieve the same goal of tax reduction by spreading the cuts across the board to help every American taxpayer? You bet we could.

Mr. President, we all agree with the goal of assisting families send their children to college. This bill provides several tax incentives to do that. But I must ask: ''Have we looked hard at these provisions to ensure they will not quickly inflate the cost of higher education so that any benefits to students and families are lost?''

Finally Mr. President, I ask what is in this tax bill for those individuals who are not rich, who do not have large investments and savings, and who do not have children?

I received a call this week from a constituent who works on the assembly line at Boeing Military Aircraft Co. in Wichita, KS. He labors side-by-side with another worker who earns a salary identical to his. However, his coworker is married, has two children, and paid $4,200 less in taxes this past year than the single worker. This constituent commented that his coworker is now getting an additional tax break, while his taxes will not be lowered one penny by this tax bill. He was angry, upset, and wanted to know why his Government penalizes him for being single. Mr. President, I am not sure I have an answer.

I received another call from a father of three college graduates. This man and his wife used most of their savings to put their children through college. He has heard about the $500 per-child-credit, tuition credits, and capital gains reductions. Yet, he had one very important question. How was this tax bill going to benefit him and his wife, since none of these benefits apply to them? These constituents are not unique. They speak for a large segment of decent, hard-working Americans who have been forgotten in this tax bill.

These constituents have a particularly difficult time understanding why they are receiving no tax breaks under this bill, but someone who pays no income taxes can still receive the $500 per child credit as a refund towards their payroll taxes. My constituents want to know why these people are receiving a refund on their Medicare and Social Security taxes, but will still receive the same benefits when they retire, as those Americans who are working hard to make a living but who receive few benefits under this bill. Why are we failing to give tax breaks to people who pay taxes, while giving refunds to those who pay nothing? Why are we using a tax cut bill to develop and expand a new form of welfare?

I do not argue that families with children do not deserve tax breaks. Everyone in America deserves a break from their onerous tax burden. Unfortunately, in our hurry to give tax breaks to families and people who do not even pay income taxes, we forgot about those middle-income Americans who are single, or married with no children, and who work just as hard to make ends meet as their counterparts with children.

Mr. President, I will vote for the Taxpayer Relief Act because it contains many tax relief provisions long needed by American taxpayers.

However, I would urge my colleagues to begin thinking seriously about the need to return to these issues as soon as next year and make new attempts to simplify our tax laws and make them fair to all classes of taxpayers.

This tax bill is far from the best we can do.

A good tax bill should not promote disparity between economic classes, it should not promote social policies, it should not expand welfare, and it should not create additional employment for CPA's and tax lawyers.

Mr. LEVIN. Mr. President, I will support this bipartisan tax reduction bill. This package has the right priorities, emphasizing education for young people, health coverage for children, and tax relief for working families. It represents a significant improvement over the bill originally passed by the Senate, which I opposed.

The improvements in the bill over the Senate bill are numerous. For instance, the $500-per-child tax credit has been greatly expanded to include more working families with children. Last week, I highlighted several Michigan families that would receive significant benefits under the $500 per child tax credit in the President's plan but would receive no benefit under the House or the Senate bills. The compromise agreement grants those Michigan families substantially the same benefits that the President's plan would. One of those working families is the Ginn family from Saginaw, Michigan, with an income of $25,000 per year, who would receive no benefit under the $500-per-child credit in the Senate bill but would receive more than $1,200 in tax credits under the compromise version. Another family is the Shannon family, from Livonia, MI, with an income of $18,460 a year, that has a 1½-year-old son. They too would receive nothing under the child credit in the Senate bill but would receive the full $500 under the compromise version.

Mr. President, I ask unanimous consent that a summary of the tax benefits for six families from Michigan illustrating the improvements in this bill be included in the RECORD following my statement.

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

(See exhibit 1.)

Mr. LEVIN. The education tax cuts that will make college more affordable for millions of families have been increased by nearly $7 billion over the Senate bill under the compromise agreement. The legislation includes the $1,500 HOPE Scholarship tax credit which is available for students in their first 2 years of college. It also includes a provision that was not included in the Senate bill to give a 20-percent tuition deduction for a student's junior, senior, and graduate educations. There is an extension of the tax exclusion for employer-provided education assistance for 3 years and a welcome reinstatement of the student loan interest deduction which allows those paying back their loans to deduct up to $2,500 per year.

I am also pleased that the President insisted that the Empowerment Zone concept that has helped revitalize Detroit and other Michigan communities be added to the bill.

While there is much to applaud about this legislation, it's not the tax bill I would have written. While the Treasury Department and the Joint Tax

Committee have been unable to supply an analysis of the distribution of the benefits of these tax cuts in time for this vote, I believe that more of the benefit of this bill is directed to those who need it least. I would have preferred a tax bill which targeted even more of its benefits to working families.

The Corporate Alternative Minimum Tax [AMT] has been significantly weakened in this bill and a significant number of profitable companies will pay no tax as a result of this change. The AMT was added to the Tax Code to ensure that profitable companies pay some tax. While the capital gains holding period was lengthened by 6 months, I would have preferred a tax bill which more narrowly targeted the capital gains tax cut.

There is one more area of this bill which could use some improvement. While many of the tax provisions that I have already mentioned I fully support, this bill as a whole does not do anything to simplify the Tax Code. In fact, it is likely to add a significant number of pages to the code and add a significant amount of time to the time it takes for taxpayers to prepare their return. I hope that in the near future we can improve the Tax Code and make it and the IRS easier to deal with.

However, Mr. President, even with its imperfections, this bill is an improvement over both the House and Senate passed bills, includes more of the President's and Democrats' priorities emphasizing education for young people, health coverage for children, and tax relief for working families. For those reasons, I will support it.

EXHIBIT 1

MICHIGAN FAMILIES GAIN CHILD TAX CREDIT UNDER BUDGET AGREEMENT

(Source: Office of Senator Carl Levin)

MELISSA SHANNON, LIVONIA, MI

Melissa Shannon is a full-time flight attendant for American Trans Air at Detroit Metro Airport, currently earning $18,460. She has one son, age 1½.

Value of child credit: House proposal: $0; Senate proposal: $0; Clinton proposal: $500; Budget Agreement: $467.

CHERYL CAMPBELL, FLINT, MI

Cheryl Campbell works at Compensatory Education center as a parents' assistant, currently earning $20,000. She is a single parent with two children, ages 10 and 12.

Value of child credit: House proposal: $0; Senate proposal: $0; Clinton proposal: $900; Budget Agreement: $900.

KIRT AND CORA HAROLD, GRAND RAPIDS, MI

Kirt Harold is a cosmetologist and Cora Harold does accounting for a shipping company in Grand Rapids. Their combined family income is $21,000. The Harolds have 2 children, ages 3 and 4.

Value of child credit: House proposal: $0; Senate proposal: $0; Clinton proposal: $525; Budget Agreement: $525.

CATHY SMITH, ESCANABA, MI

Cathy Smith is a computer operator in Escanaba who currently earns $18,512. She is divorced with two children, ages 9 an 10.

Value of child credit: House proposal: $0; Senate proposal: $0; Clinton proposal: $677; Budget Agreement: $677.

VALLEY GINN, SAGINAW, MI

Valley Ginn works as a secretary at the Saginaw Fire Department. She has three children, ages 17 months, 28 months, and 7 years.

Value of child credit: House proposal: $0; Senate proposal: $0; Clinton proposal: $1,207; Budget Agreement: $1,207.

LIANE HAGERMAN, BOYNE CITY, MI

Liane Hagerman works as a public health technician at the Northwest Michigan Community Health Agency, currently earning $21,000 annually. She has three children, ages 10, 15, and 18.

Value of child credit: House proposal: $0; Senate proposal: $0; Clinton proposal: $653; Budget Agreement: $653.

Mr. GRASSLEY. Mr. President, I am privileged to be in the Senate today to support passage of this historic legislation. In my career as a Senator, a Congressman, and a State legislator, I have participated in thousands of bills. Posterity will probably remember only a select few of them. Of all, I expect, and hope, those who keep apprised of Congress will remember this tax freedom reconciliation bill among those remembered most fondly and most often.

This bill is not only about the Government living within the Nation's means, but about the Constitution itself. Two years ago, the Congress proved that it could pass a balanced budget. It also learned that the Constitution anticipates a third participant in the legislative process, the executive branch. So, we arrive here today not only having anticipated the needs of the President, we have included the executive branch as an active participant throughout the legislative process.

The words of the Constitution do not proscribe that Congress and the President should enter into an agreement defining legislation before it is actually written. Furthermore, the Constitution does not proscribe that the Congress should advance legislation with the continued advice of the Office of the President, the Treasury Department, and the Office of Management and Budget. The words themselves simply allow the President the express authority to either enact or veto the bills that we in the Congress produce.

However, the partnership forged between the President and Congress prove that the President can, and should, make his intentions known throughout the legislative process. Since the President can veto any bill that is sent to him, the process should allow that their contents of bills should not come as a surprise. But, it is not the President's reaction that should be avoided. It is the surprise of taxpayers. As the legislative process has evolved, too much progress occurs behind the closed doors of committees and caucuses. The people of the Nation have come to think of the legislative process as a black box. The good intentions go in one side, but something wholly unknown can come out the other. The President has always had the authority to veto and the Congress the power to reconsider.

But, in modern times, our legislative processes have become so cumbersome that Congress leaves itself without the days necessary to reconsider huge reconciliation bills. Therefore, we have effectively revamped the legislative process by allowing the President to play an earlier role.

Some might say that this is a significant change. Since the Constitution does not direct such a partnership, it must be implied therein. Our Constitution intends that we pass laws, not only bills.

Therefore, I turn to the product of this new process: The tax freedom reconciliation bill of 1997. Earlier today, we passed the balanced budget reconciliation bill. The latter is the first spending bill that anticipates a balance in almost 30 years of gridlock. The former is the first tax bill in 16 years that actually cuts taxes. Together, they are the first omnibus reconciliation legislation in 4 years that will become law.

Presently we are considering the tax freedom reconciliation bill. I am particularly proud of several provisions contained in this bill. Some of these sections have national perspectives like both the renewed income tax deduction for interest on student loans and estate tax relief. Others have a more regional effect such as the law turning back the unauthorized IRS expansion of the alternative minimum tax against farmers. All, however, provide relief to hard-working families in the areas of education and income security.

For education, this tax-relief bill renews the deductibility of interest incurred on student loans. I have introduced that particular bill in every Congress since it was repealed in 1986. In the last two Congresses I was accompanied by my friend from Illinois, Senator MOSELEY-BRAUN. Today, I am happy to announce our success.

When Americans think of investing money, we think of investing in things—machines, natural resources or businesses. This student loan provision is an investment in human capabilities and talents. I would like to do even more than what is offered in this provision. But restoring the deductibility on the interest paid on student loans sends a message to college students across the country. Their talents are worth the investment of dollars.

Students need to know the Federal Government and the Nation value their contributions. Understanding this, I believe they will have a greater appreciation of the effort necessary to successfully complete a higher education. We are clearly sending the message that the Congress recognizes the financial responsibility students undertake, and we are willing to do what we can to ease that burden.

For farmers, I am pleased to announce that another of these new laws will forever repeal the unauthorized IRS advancement of the alternative minimum tax against traditional farmer deferred commodity contracts. The President may offer his views on legislation, but the IRS does not have unilateral power to legislate on its own.

This is good news for family farmers and rural America. It reaffirms the intent of Congress that family farmers should be able to continue receiving the use of the cash method of accounting not limited by the AMT. The IRS decision last fall to unilaterally change a 16-year-old tax policy for these deferred payments. The IRS was dead-wrong. Sixty-three of my colleagues joined my legislation with Senator DORGAN as solid proof.

In addition to setting the record straight, turning back the AMT for farmers highlights the larger problem we face when the IRS disregards the intent and the will of Congress. Here, we had a tax policy in place for 16 years, and suddenly, the IRS decides to make a 180 degree turn, which caused a great deal of havoc and concern for thousands of taxpayers. But, in order to return the law to its original intent, we had to come up with hundreds of millions of dollars as an offset, because of the upside-down way we do revenue estimates around here. So, I hope the Joint Committee on Taxation will be addressing the revenue estimation problem in the near future.

I am also proud of the future for estate tax relief for families. When thinking about estate taxes, you have to always keep your eye on the ball. Estates do not pay estate taxes, surviving families pay estate taxes. In this bill we do a number of things for death tax reform. All of these new laws are based on legislation that I introduced with my friend from Montana, Senator BAUCUS. Twenty cosponsors joined in our bill S. 479, the Estate Tax Relief for the American Family Act. It became the estate tax relief legislation embodied in this reconciliation bill providing over $675,000 of new relief.

In current law, the general estate tax exemption is $600,000, but that number is more than $200,000 behind the rate of inflation. In nearly every area of my State and the Nation, we saw in the past decade estate tax ultimately confiscate many family farms. Estate tax reform is simply about fairness and equity for families.

We've heard some make the faulty argument that the estate tax only affects a small percentage of taxpayers. Well, the point they leave out is that many other thousands of taxpayers have to waste a great deal of money in order to plan their estate so it will remain operational and in the family.

In addition, without the relief under this bill, the number of those affected by the estate tax would increase substantially in the next 5 to 10 years.

Let me also add that I strongly support estate tax relief because it directly helps preserve our natural land. Our estate tax relief is very pro-environment simply because it helps keep family farms operational and defers the danger of over-development by urban activities.

In this bill, capital gains tax relief is the partner of estate tax reform. Capital gains tax relief is similarly vital to my State of Iowa. A disproportionate amount of farmland is held by older landowners. To illustrate, studies in my state of Iowa show that 42 percent of farmland is held by taxpayers over the age of 65. Last year, Iowa State University conducted its annual farm life survey. It found that in the next 5 years, 21 percent of Iowa farmers are planning to retire. This high rate of those leaving farming raises important questions about who will be the next generation of Iowa farmers.

Some of those farmers who retire will want to hold onto the land and maybe rent it out. Many others want to sell the land, move to town, and be fully retired. Unfortunately, the capital gains tax has locked them on the farm. I support an even larger reduction in the capital gains rate. But, the reduction in the bill is certainly a very positive step in the right direction.

Finally, I want to talk about the expanded availability of tax supported individual retirement accounts. With the constraints of the Tax Code reduced, we will have more people saving for their retirements. Homemakers will be able to save $2000 per year tax-free regardless of the tax free retirement program offered to the working spouse. These new pro-saving laws will reduce the strain on the Social Security system.

This Congress produced all of this relief for families by using bipartisanship and cooperation with the executive branch. This cooperation was not expressed in so many words of the Constitution, but it must certainly have been implied.

Thank you Mr. President. I yield the floor.

Mr. ROCKEFELLER. Mr. President, before casting my vote for this tax portion of the budget plan, I want to comment on the aspects that are of most concern to me.

The basic point I want to emphasize is that my vote for both the spending bill and this tax bill that make up the balanced budget and tax plan is the result of weighing its merits against its flaws. The fundamental job for Congress this year has been to agree on a plan to balance the budget, which is the main objective of the bills we are approving this week. Unlike the Republican budgets that I opposed over the last 2 years, this plan is the result of bipartisan negotiations and contains real benefits and important compromises in the interest of West Virginians and all Americans.

At the same time, it has been clear that the only way we could finish the job some of us started in 1993, to balance the budget and start dealing with future priorities, was to find middle ground. I recognize that I cannot write or cause the passage of the budget plan that reflects exactly how I would chart Medicare's course, design the childrens' health insurance program, target tax relief, or address other priorities for West Virginians. Instead, I have worked hard in the recent months to influence these parts of the budget and make the best possible case for the approach I think is fair and balanced.

The spending plan approved this morning and the tax bill before us today are improvements over the extreme Republican budgets that were rejected in the past 2 years and over the earlier versions of these very bills. With the many aspects that will benefit West Virginians and address national priorities, I made the decision to vote for both bills.

The crucial part of the bill before us is the fact that it will provide tax relief to 27 million hardworking American families who are responsible for raising over 45 million children under the age of 17. Today, Congress joins the President to give those families a per-child tax credit much like the one that the bipartisan Children's Commission unanimously recommended when I chaired that commission 7 years ago. We are delivering real tax relief to American families so that they can share in the benefits of our sharply declined, and soon to be completely eliminated, deficit. That is an achievement I think we can be proud of, particularly because this tax conference report will benefit 5.9 million lower income families who were left out of the Senate-passed tax bill. The fight to make the child tax credit fairer was won by the President and Democrats who refused to ignore the millions of families struggling the hardest to provide for their families. Winning, improving the child credit so it is extended to more American families is important because it means we will more fairly distribute the benefits of the tax cuts in this bill than under the initial tax plans passed in Congress.

I am pleased that I can report that 25,000 more West Virginia families will benefit from the child tax credit as a result of the changes in the conference report—changing the stacking order of the child credit, now placed before the EITC, and its partial refundability for families with three or more children. It is predominantly for that reason that I will cast my vote in favor of this tax package. Improving the child credit so it reaches more families, the families who need the most help to buy their children shoes, pay the mortgage, or deal with an unexpected medical expense, is a major victory in this tax bill. With this important improvement, I can support this tax package. The substantial dedication of funds to provide health insurance to about 3.4 million of the 10 million uninsured children in our country—totaling $24 billion in new dollars for kids' health—is another major reason to vote for this bill. The additional financing for kids' health comes from a hike in the tobacco tax. I think that is a smart way to pay for this new spending on children's health. I am deeply disappointed that we did not insist on a meaningful benefit package for those children, but I will be back another day to fight to improve that provision.

But I don't want to cast my vote in favor of this 5-year budget bill without making it perfectly plain that I have serious worries about the long-term costs of some of the tax cuts in this bill. Certain provisions could be a potential tax timebomb because of how their costs explode in the 5 years following the 5 years in this budget, sometime after 2002. The explosion of costs in what we refer to as the out-years—years after the first 5 years of the budget—of the provisions that benefit the wealthiest Americans are very worrisome to me. I have to honestly wonder whether or not we will realistically be able to retain them. The long-term costs of providing such generous reductions in tax rates for estates and gifts, capital gains, and the expansion of individual retirement accounts [IRA's] may prove too expensive to sustain. I cite these particular provisions because they are the ones that score as relatively small costs in the first 5 years of this budget, but are projected to multiply 10 and 20-fold in the second 5 years, according to the scoring of both the Joint Committee on Taxation and the Treasury Department.

Consider these numbers—estate tax relief costs $5.9 billion in the first 5 years and jumps to $33 billion in the second 5 years; capital gains relief scores as if it saves $123 million in the first 5 years but the cost of that relief increases to $20.2 billion in the second 5 years; and the IRA expansions cost $1.8 billion in the beginning of this agreement, but rise precipitously to $21.1 billion in the next 5 years. Those are enormous increases, and I worry that we cannot afford to include such narrowly targeted tax relief over the long term when we don't know how healthy our economy will be in the year 2002. We may well have to revisit these benefits and reconsider whether they are worth retaining. I would be thrilled if our economic growth and expansion continued at such a pace that we do not have to revisit this work, but I want my colleagues to know that this is one of my worries about enacting this tax bill.

I remain very confident that over the next few years we have a unique opportunity to provide some tax relief to many Americans —and well understand the promise of that relief helps us deliver an agreement to balance the budget. At the same time, we are plowing $40 billion into education tax credits to help 5 million students with a $1,500 HOPE scholarship to make the first 2 years of college universally available and a 20 percent tuition tax credit for college juniors, seniors, and graduate students, along with working Americans to pursue lifetime learning and get the skill upgrades they need to compete in a changing economy. This level of tax support for education will help us prepare our children and our workforce for the new century. I congratulate the President for holding firm to his commitment.

I am hopeful that both budget bills headed for the President's signature will make the steps forward that are being promised and celebrated today. I know that many provisions will directly benefit West Virginians in key areas. But I also urge everyone in Congress to keep a careful watch on the results of both bills, and maintain a commitment to correcting anything that may go wrong and budgetary effects that may go awry. Let's do our best to achieve the good promised in these bills, and work to make sure that the legacy of this legislation will be something we can continue to praise in future years.

AIR PASSENGER TAX FORMULA

Mr. MURKOWSKI. Mr. President, there are many elements of the tax package that I strongly support including the children's tax credit, the reduction in capital gains, and the first step in estate tax relief. For those reasons, I will vote for the tax package.

However, I want to take a moment to discuss with my colleagues what I believe is a fundamental inequity in the structure of the package. What I am referring to is the new air passenger tax formula. The conferees rejected the Senate's approach, which would have maintained the current flat 10-percent tax and instead adopted a dual tax structure that imposes both a flat tax and per-segment, per-passenger tax.

This new formula fundamentally discriminates against low-fare carriers, especially those who fly smaller aircraft that make multiple intermediate stops. The new formula will have an especially detrimental effect on flights to and from the lower 48 from Alaska and Hawaii.

For several years, Congress has recognized the unique travel circumstances faced by citizens of these two noncontiguous States. In reality, the only way to get to Alaska and Hawaii is by air. And once you arrive in Alaska or Hawaii, air travel is often the only suitable way to get around.

Unfortunately, the new passenger tax formula fails to recognize our States' strong reliance on the airplane. Passengers in small communities like Ketchikan could see their air tax bill jump by 30 to 40 percent when the new formula is fully phased in. That is simply unfair to Alaskans, who already must endure close to the highest cost of living of any State.

Moreover, the new structure has a hidden timebomb that would explode if we see a spike in inflation. Not only is the head tax indexed for inflation, but the special $6 departure fee that is only imposed on flights to and from Alaska and Hawaii is also indexed. What this means is that every year, flights to Alaska and Hawaii are guaranteed to see a double tax hike, whereas flights within the lower 48 will only see a tax rise on the per-passenger fee.

I think that is fundamentally unfair and it is my intention to introduce legislation that will reinstate the current air tax structure for flights to Alaska and Hawaii.

Mr. AKAKA. Mr. President, I echo the sentiments of my colleague from Alaska. The aviation provisions in this tax bill are unfair to residents of and visitors to Hawaii and Alaska and will have a disproportionate impact on carriers that serve our States.

The bill fails to recognize that the 49th and 50th States are fundamentally different from the rest of the Union in our heavy reliance on air transportation. As the only noncontiguous States, Hawaii and Alaska are, for all practicable purposes, accessible from the continental United States only by air. Furthermore, for different reasons, travel within Hawaii and Alaska is feasible only by commuter airline. In effect, Alaska's and Hawaii's air routes serve the same purpose as other States' highway systems.

The pending measure would abrogate a long history of congressional support for our States' special aviation needs—needs which are embodied in current law—by imposing a per segment charge on flights to, from, and within Hawaii and Alaska. This new tax discriminates against the low-fare, short-haul carriers that serve the people of our States as well as the larger carriers that maintain our communications links with other States.

Carriers that serve Hawaii can ill afford this additional tax burden; the impact is especially heavy on our local commuter airlines. The taxes of Hawaiian Airlines and Aloha Airlines alone will rise by as much as $7.5 million and $6 million, respectively, in the next year as a result of the new segment fee.

Mr. President, I appreciate the conferees' desire to make excise taxes reflect usage of the air traffic system. But I do not believe that the conferees fully understood the implications of the segment tax with respect to states whose residents and visitors are wholly reliant on air service for intrastate and interstate travel.

This is clearly an issue that deserves further study. Certainly this is an appropriate topic of review for the Mineta Airline Commission. Should the tax bill pass, I hope that Members of this body would agree to revisit this issue at the earliest opportunity. In any case, I will join Senator MURKOWSKI and my other colleagues from Hawaii and Alaska in supporting legislation to restore the current tax treatment of our two States.

Mr. STEVENS. I also share the concern expressed by my colleagues about the new air travel segment fee in this bill. I regret that the Senate was not able to sustain its position of a simple extension of the 10 percent ticket tax in the conference committee.

We had a vigorous debate last year over financing the Federal Aviation Administration in the Senate Commerce Committee on another congressional committees. We decided to establish the National Civil Aviation Review Commission to examine FAA's true funding needs and various mechanisms for raising the revenues to meet those needs.

The Senate and the administration proposed extending the ticket tax during this budget debate to allow the commission to do its work.

The new fee undercuts the work of the commission by prejudging their decision. This is not the way public policy should be made, especially on a matter of such direct importance to the pocketbooks and the safety of the American public.

Mr. INOUYE. Mr. President, I share the concerns of my colleagues from Alaska and Hawaii regarding the new airline ticket tax formula. I, like Senators MURKOWSKI, STEVENS, and AKAKA, am distressed that a bill that has so many important provisions that will benefit the Nation and citizens of Hawaii, badly misjudges the need for and importance of air transportation in both Alaska and Hawaii.

Hawaii, unlike any other State in the Union, is completely isolated from any other landmass. In terms of inter-island/intrastate travel, my State is totally dependent on air transportation. Maintaining the stable, low-fare air transportation system we currently have is essential to the State of Hawaii. Similarly, we must also maintain a low-fare environment to stimulate the influx of tourists. Tourism is Hawaii's No. 1 industry. Given this utterly unique feature of our State, I am most disappointed that this bill imposes not only a segment tax on our citizens who must travel between the islands to conduct daily business and to visit family members, but also imposes the segment tax, an excise tax and a departure tax on passengers coming from any other State in the Union to Hawaii. According to the local carriers in the State of Hawaii, in 1998, interisland customers would pay an additional 16 percent in taxes, increasing to 54 percent in 2003. No other State, other than Alaska, will face fare increases as significant as those which the new legislation will impose on the residents and tourists of Hawaii. We must recognize that Alaska and Hawaii are unique and must accommodate these States' dependence on air travel in legislation that impacts the primary means of commerce on our States.

I am pleased that Senator MURKOWSKI plans to introduce legislation to rectify this situation and I will strongly support him in those efforts.

TIAA/CREF

Mr. MOYNIHAN. Mr. President, under the Taxpayer's Relief Act of 1997, the Teachers Insurance and Annuity Association [TIAA] and the College Retirement Equities Fund [CREF] are taxed under the same regime as life insurance companies. However, TIAA and CREF are separate companies with different structures and operations.

TIAA is a nonprofit, legal reserve life insurance and annuity company. CREF, on the other hand, is a management investment company registered with the SEC under the 1940 act. CREF was organized in 1952 under a special act of the New York Legislature. CREF predates the existence of separate accounts and in fact served as the model for the variable annuity products offered today by life insurance companies through separate accounts. No portion of a participant's pension contribution to CREF pays for guarantees or the maintenance of reserves.

In light of the differences between TIAA and CREF, I would like to ask Chairman ROTH, the distinguished chairman of the Finance Committee if he would be so kind as to comment on the intent of the bill as it applies to the taxation of CREF.

Mr. D'AMATO. Mr. President, 2 million college faculty participants—260,000 in my State of New York—rely on TIAA and CREF pensions to provide retirement security. Participants know when they choose CREF, every contribution dollar goes to the retirement annuity accumulations, or payout company, CREF offers no guarantees nor does it maintain contingency reserves. Yet CREF performs functions similar to a separate account of a life insurance company by allowing retirees to receive variable annuity payouts.

I would like to join Senator MOYNIHAN and ask Senator ROTH, the distinguished chairman of the Finance Committee, to comment on the intent of the bill concerning the taxation of CREF?

Mr. ROTH. First, I would like to say that I joined my distinguished colleagues, Senators MOYNIHAN and D'AMATO in opposing the repeal of the tax exemption for TIAA and CREF in conference. However, the Senate did not prevail.

In light of this unfortunate result, I believe the intent of the bill is that CREF should be taxed consistent with its unique structure and apart from TIAA.

Mr. REED. Mr. President, I rise in support of the conference report on the tax relief package. I believe the conference report represents significant progress from previous efforts to provide tax relief for hard-working American families that are struggling to pay their bills, educate their children, and save for retirement. As one who voted against the previous Senate version of the tax cut bill, I commend the conferees and the administration negotiators who worked to address some of the concerns that I and others expressed with the previous legislation to develop this compromise.

However, I must also express strong concern with several provisions that remain in the bill. I believe that the provisions related to capital gains taxes, IRA's, and estate taxes unfairly benefit the wealthiest Americans, and threaten to upset the fiscally responsible decisions, such as passage of the 1993 deficit reduction package, that enabled us to reduce the deficit to its lowest point as a percentage of GDP since 1974. However, when considered in the context of the larger effort at bipartisan compromise and the willingness to expand healthcare coverage to millions of children, I believe this legislation presents a good deal for many working American families.

In particular, the tax cuts contained in the conference report provide a greater amount of tax relief to middle income Americans than previous versions of this bill. For example, under the bill passed by the Finance Committee, the second lowest 20 percent of income earners would have experienced a tax increase, whereas under the conference report, these Americans would enjoy a tax cut. Although I still have concerns that a substantial share of the tax cuts will go to the highest income Americans, these concerns are counterbalanced by the fact that middle-income Americans will enjoy significant tax reductions and expanded educational incentives which were not as prominent in prior versions of this bill.

As I have stated throughout the debate on this bill, I have reservations about provisions in the bill related to the capital gains tax, new backloaded IRA's, and the estate tax. Particularly disturbing is the fact that these tax reductions, which come at a significant cost after 2002, will almost exclusively benefit the wealthiest Americans. For example, the Joint Tax Committee has estimated that three-quarters of Americans receiving capital gains income are households that earn over $100,000 annually. Similarly, only 1.6 percent of estates are valued high enough to qualify for capital gains increases. Meanwhile, these tax cuts will cost $75 billion over 10 years.

Beyond favoring the wealthy, I am concerned that the cost of these tax cuts, many of which are backloaded, will explode in the years after 2002 and ultimately upset the progress we have made on deficit reduction. These concerns are supported by the 10-year revenue estimates recently released by the Joint Tax Committee which suggests that the cost of this tax bill will be $275 billion over 10 years. This level of revenue loss may prove difficult to sustain, and I would hope my colleagues will protect vital investments like education and infrastructure if difficult economic times arise.

At the same time, I believe that the conferees have made significant progress on the education tax provisions included in the bill. Of particular note is the decision to extend education tax reductions for the third and fourth years of a college education. The Finance Committee-passed tax bill did not extend benefits to years three and four, and I believed this was a major shortcoming of that legislation. By providing benefits for the duration of the average college education, I believe the provisions included in the conference report better reflect the realities facing many individuals desiring to get a college education. Indeed, this compromise before us today provides $41 billion in education tax incentives for those looking to invest in their education.

I also support the changes that have been made to the child tax credit that will enable a greater number of middle- and lower-income Americans to utilize the credit. By making the credit partially refundable against payroll taxes, the legislation reflects the reality that the most significant tax burden of many low-income Americans is that of the payroll tax. The Senate bill provided no tax credit to many families making under $30,000. This compromise does.

I would also like to express my support for the decision to keep provisions in the bill that will expand the use of IRA's to allow withdrawals for first-time home buyers. Perhaps the greatest hurdle faced by many first-time home buyers is the inability to get the necessary funds for a downpayment on a home. Provisions in the tax bill will lower this hurdle and enable us to continue to increase home ownership, which is currently at a 17-year high.

In conclusion, I believe the tax bill will provide tax relief to hard-working American families who have faced stagnating wages and tough employment prospects. I am pleased that we in Congress have made the difficult budget decisions which laid the foundation for the tax cuts we are able to provide today. I would caution, however, that we must be ever-vigilant in ensuring that the tax cuts will not overheat the economy or lead to an explosion of the deficit. Indeed, we must be prepared to make the tough decisions that we will be called upon to make in the event that the revenue projections in this agreement do not come to fruition. As we prepare to vote on this legislation, I would encourage my colleagues to celebrate our success, but to consider the concerns that I have set forth.

Mr. President, I will support this bill with reservations, but I also recognize as should we all, that this agreement is a compromise between a President and a Congressional majority of different political parties. As such, it embodies the often conflicting demands and ideals of each group. It is in this spirit that I will vote for the package.

Mrs. MURRAY. Mr. President, I rise today in strong support of the conference report on H.R. 2014, The Revenue Reconciliation Act of 1997. This legislation represents the second part of the historic balanced budget agreement.

As a member of the Budget Committee, I was originally concerned about enacting major tax changes which would jeopardize our deficit reduction progress. I did not want to repeat the mistakes of the 1980's. Back then, Congress did the easy thing in dramatically cutting taxes, but put off the tough decisions on spending cuts. As a result, the National debt increased from $1 to $4 trillion, and we've been digging the country out of that hole ever since.

I also had to be sure that, if we did any kind of tax cut, it would be targeted, to working families who desperately need relief and that it was responsible. I had to be sure that it did not add to the deficit and would truly serve as an investment in our economic productivity.

After months of working with the White House and Republicans, we have produced a tax relief package that is responsible, targeted, and will provide significant investment in our economy. It does not add to the deficit—we borrow nothing to offset these cuts.

The tax relief package includes a $500-per-child tax credit that will go to every family earning less than $110,000 per year. This tax credit alone will be available for approximately 27 million families with 45 million children, with 13 million of these children coming from families with incomes below $30,000 a year. This includes children who's parents are teachers, farmers, factory workers, police officers, and nurses—the real working families of this country.

When I first came to the U.S. Senate, I made a commitment to the many small, familyowned businesses and farms in the State, that I would work to reduce the estate tax. I had talked to many people with concerns that their business or farm would have to be sold if they died, rather than being passed on to their children. Because the estate tax is so high, younger generations cannot afford to keep the business or farm in the family.

I introduced legislation to reform the inheritance tax last Congress for two simple reasons. First, the current tax code hits my home State of Washington very hard, because we have a very high percentage of family farms, and tree farms in particular, as well as many entrepreneurial small, high tech businesses. Second, the impact of the current structure of the estate tax had to be changed in order to allow family owned businesses to stay family owned. I am pleased the bill included estate tax relief that is similar to my legislation.

I am also pleased that included within this tax relief package is the accelerated phase-in of self-employed health insurance deduction from 40 per cent up to 80 percent. This is a major victory for small business, farms, and their families. It will also allow more small business owners to purchase quality health care for their children. I have long argued that small businesses should be given the same tax allowance for health insurance as afforded large corporations. This accelerated phase-in will provide this equity and expand access to health insurance coverage for many children who's parents are self-employed.

Perhaps the greatest expense facing many families is that of a college education. I know many middle-class families in Washington State who are struggling to pay for their children's college education. I have also heard from many hard-working adults who cannot afford to upgrade their skills or further their education. We all know the value of investing in the education of our children and investing in our own skills and education. Yet, for many families a college education was becoming unreachable. The tax relief package before us today will give middle-class families that extra help to meet the ever escalating cost of a post secondary education.

The legislation calls for a total of $35 billion in education tax credits and incentives. This represents the biggest single investment in the education of our children since 1965. It will give those families who are struggling to pay for a college education the help that they need. As we move in to the next century, it means our children have the skills and education to meet the challenges of tomorrow. Our work force will need to be one of the most technologically advanced in the world in order to maintain our competitive edge and our high standard of living. Investing in today's children is not just an investment in their future, but it is an investment that will maintain our position as a global, economic power.

This bill also contains reductions in the capital gains tax. I am pleased that we have been able to craft this part of the bill so that it targets regular, middle-class families. Many middle-class families have been burdened with heavy capital gains when they sold a home or even sold stocks for retirement savings. In addition, the legislation drops the capital gains tax from the 20 percent called for in the bill to 10 percent for joint filers with incomes less than $41,200 who sell or transfer an asset held for at least 18 months. For higher income earners the top rate will be 20 percent for investments held for at least 18 months. Carefully crafted and targeted, a capital gains tax cut will encourage economic expansion and will provide equal relief to the middle class. This legislation meets this test.

In 1993 our deficit was close to $300 billion annually. New estimates for 1997 by the Congressional Budget Office indicate that the deficit for this year could be as low as $67 billion. We have far exceeded even my expectations for deficit reduction. The spending plan just adopted by this body will eliminate this deficit by 2002. Now is the time to give working families their share of the deficit reduction dividend. This legislation will guarantee that middle class, working families benefit equally from the economic gains we have seen as a result of the Democratic deficit reduction plan of 1993.

I know that this tax relief package and the balanced budget spending plan would not have been possible without a honest, bipartisan approach. While I know that many on the other side do not think that this tax relief package is big enough, any further attempt to cut taxes would have all but wiped out the $223 billion in deficit reduction that we witnessed since 1993. This legislation is fair and equitable, but fiscally responsible as well. For the sake of our grandchildren and continued economic growth, we cannot enact deep tax cuts that force us to only borrow more to pay for these cuts. Balancing the budget must remain our No. 1 goal and priority.

I urge my colleagues to support this conference report and I yield back the balance of my time.

Thank you, Mr. President.

N O T I C E

Incomplete record of Senate proceedings. Except for concluding business which follows, today's Senate proceedings will be continued in the next issue of the Record.

ORDERS FOR TUESDAY, SEPTEMBER 2, 1997

Mr. WARNER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 11 a.m., on Tuesday, September 2, 1997. I further ask unanimous consent that on Tuesday, immediately following the prayer, the routine requests through the morning hour be granted, and the Senate immediately proceed to the consideration of S. 1061, the Labor-HHS appropriations bill.

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

PROGRAM

Mr. WARNER. Mr. President, for the information of all Members, when the Senate reconvenes on Tuesday, September 2, the Senate will begin consideration of S. 1061, the Labor-HHS appropriations bill. Under the previous order, at 2:15 p.m., the Senate will resume consideration of S. 1033, the agriculture appropriations bill. Under the order, Senator HARKIN will be recognized to offer an amendment regarding the FDA, with 20 minutes of debate equally divided in the usual form in order. As announced, a vote on that amendment will occur Wednesday, September 3, at approximately 9:50 a.m. Following debate on the Harkin amendment, the Senate will resume consideration of the Labor-HHS appropriations bill, with any votes ordered on amendments to that bill being set aside until Wednesday. Therefore, the next rollcall votes will occur on Wednesday, September 3.

ADJOURNMENT UNTIL TUESDAY, SEPTEMBER 2, 1997, AT 11 A.M.

Mr. WARNER. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the provisions of House Concurrent Resolution 136.

There being no objection, the Senate, at 8 p.m., adjourned until Tuesday, September 2, 1997, at 11 a.m., under the provisions of House Concurrent Resolution 136.

NOMINATIONS

Executive nominations received by the Senate July 31, 1997:

FEDERAL EMERGENCY MANAGEMENT AGENCY

JO ANN JAY HOWARD, OF TEXAS, TO BE FEDERAL INSURANCE ADMINISTRATOR, FEDERAL EMERGENCY MANAGEMENT AGENCY, VICE ELAINE R. MCREYNOLDS.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

PAUL M. IGASAKI, OF CALIFORNIA, TO BE A MEMBER OF THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION FOR A TERM EXPIRING JULY 1, 2002. (REAPPOINTMENT)

NATIONAL INDIAN GAMING COMMISSION

TADD JOHNSON, OF MINNESOTA, TO BE CHAIRMAN OF THE NATIONAL INDIAN GAMING COMMISSION FOR THE TERM OF 3 YEARS, VICE HAROLD A. MONTEAU, RESIGNED.

DEPARTMENT OF ENERGY

ERNEST J. MONIZ, OF MASSACHUSETTS, TO BE UNDER SECRETARY OF ENERGY, VICE THOMAS PAUL GRUMBLY, RESIGNED.

IN THE NAVY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT IN THE U.S. NAVY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be admiral

ADM. HAROLD W. GEHMAN, JR., 0000

IN THE AIR FORCE

THE FOLLOWING-NAMED OFFICERS FOR REGULAR APPOINTMENT IN THE GRADE INDICATED IN THE U.S. AIR FORCE UNDER TITLE 10, UNITED STATES CODE, SECTION 531:

To be colonel

LUIS C. ARROYO, 0000
JACK L. BERG, 0000
RICHARD H. DAY, 0000
JAMES P. DURNING, 0000
NOEL T. HUI, 0000
JOHN C. LEOPOLD, 0000
HENRY B. NELSON III, 0000

To be lieutenant colonel

SCOTT G. BERGH, 0000
JUNE A. CARRAHER, 0000
ROBERT E. CARROLL, 0000
TIMOTHY S. CLASEMEN, 0000
CRANDON F. CLARK, JR., 0000
SALVADOR FLORES, JR., 0000
CHARLES K. HARDIN, 0000
KEVIN D. KIELY, 0000
MAUREEN E. LANG, 0000
BARRY I. MACDONALD, 0000
JEFF R. MACPHERSON, 0000
STEPHEN T. MCDAVID, 0000
MICHAEL PARKINSON, 0000
RHETT M. QUIST, 0000
ROBERT RECTENWALD, 0000
VICTOR P. SALAMANCA, 0000
TIMOTHY G. SANDERS, 0000
PAUL S. STONER, JR., 0000
WALTER L. THOMAS, 0000
CARL L. WILLIAMS, 0000

To be major

NORMA L. ALLGOOD, 0000
MARK J. BENTELE, 0000
RICHARD R. FRAZIER, 0000
GERALD C. LEAKE, JR., 0000
SCOTT A. MACKEY, 0000
THOMAS M. MARTIN, 0000
CHARLES A. POWELL, 0000
JAMES E. THEKEN, JR., 0000
MARK Y. UYEHARA, 0000

THE FOLLOWING-NAMED OFFICER, FOR APPOINTMENT AS A PERMANENT PROFESSOR, U.S. AIR FORCE ACADEMY, IN THE GRADE INDICATED UNDER TITLE 10, UNITED STATES CODE, SECTIONS 9333(B) AND 9336(A):

To be colonel

MICHAEL R. EMERSON, 0000

THE FOLLOWING-NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE U.S. AIR FORCE AND FOR REGULAR APPOINTMENT IN THE GRADE INDICATED (IDENTIFIED BY AN ASTERISK) UNDER TITLE 10, UNITED STATES CODE, SECTIONS 624, 628, AND 531:

To be lieutenant colonel

JAMES M. BARTLETT, 0000
DUANE E. BOYE, 0000
MICHAEL R. FIELDER, 0000

To be captain

*ELLIS D. DINSMORE, 0000

IN THE ARMY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE U.S. ARMY UNDER TITLE 10, UNITED STATES CODE, SECTIONS 624 AND 628:

To be colonel

FRANK G. WHITEHEAD, 0000

THE FOLLOWING-NAMED ARMY NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE ARMY UNDER TITLE 10, UNITED STATES CODE, SECTIONS 12203 AND 12211:

To be colonel

MARY A. ALLRED, 0000
JAMES H. CHISMAN, II, 0000
HUNTINGTON B. DOWNER, JR., 0000
GRANT L. HAYDEN, 0000
RONALD B. KALKOFEN, 0000
GARY E. KELLY, 0000
ROBERT A. KOEHLER, 0000
EDWARD Y. MATHEKE, 0000
JOSEPH E. MICHAELS, JR., 0000
GARY N. MELING, 0000
ROQUE C. NIDO-LANAUSSE, 0000
DONALD L. PATRICK, 0000
JERRY M. RIVERA, 0000
SYLVIA C. SANCHEZ, 0000
JOHN C. SCHILTHUIS, 0000
JAMES L. SCOTT II, 0000
GERALD L. STROUD, 0000
JAMES R. TINKHAM, 0000

THE FOLLOWING-NAMED ARMY NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE ARMY UNDER TITLE 10, UNITED STATES CODE, SECTIONS 12203 AND 12211:

To be colonel

ROBERT C. BAKER, 0000
RONALD L. FREEMAN, 0000
CURTIS G. GRANDSTAFF, 0000
DANA H. GRAU, 0000
LARRY G. HAYES, 0000
DAVID W. HOCKENSMITH, JR., 0000
THOMAS A. JOHNSON, 0000
EMERICK Y. KANESHI, 0000
PAUL R. LEMOI, 0000
RUEDIGER TILLMAN, 0000
JAMES R. WOOTEN, 0000

THE FOLLOWING-NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE U.S. ARMY AND FOR REGULAR APPOINTMENT AS CHAPLAIN (IDENTIFIED BY AN ASTERISK(*)) UNDER TITLE 10, UNITED STATES CODE, SECTIONS 624, 531 AND 3064:

To be major

*EDWIN E. AHL, 0000
*DANIEL T. AMES, 0000
*WILLIAM O. BAREFIELD, 0000
*LARRY E. BLUM, 0000
*STEVEN E. BOLING, 0000
*DEAN E. BONURA, 0000
*MICHAEL E. BRAINERD, 0000
*DAVID M. BROWN, 0000
*LORAN C. BULLA, 0000
*CRAIG A. BURCH, 0000
*SCOTT R. CARSON, 0000
*JAMES R. CARTER, 0000
*ALFRED O. CASTRO, 0000
*MICHAEL D. CHARLES, 0000
*LAWRENCE W. CLOSTER, 0000
*JOSEPH L. DIGREGORIO, 0000
*ERIC R. DYE, 0000
*TIMOTHY B. EGGLESTON, 0000
*GREGORY J. ESTES, 0000
*JOSEPH M. FLEURY, 0000
*JONATHAN C. GIBBS, 0000
*RICHARD T. GREEN, 0000
*DAVID H. HANN, 0000
*JOEL C. HARRIS, 0000
*MARTHA J. HAYES, 0000
*DAVID R. HELLER, 0000
*JACK B. HERRON, 0000
*RANDALL P. HOLMES, 0000
*JUSTIN P. ISBISTER, 0000
*FRANKLIN L. JACKSON, JR., 0000

*MICHAEL E. JENKINS, 0000
*RONALD J. KEGLEY, 0000
*JAMES P. KING, 0000
*WARREN E. KIRBY, JR., 0000
*RAYMOND C. KOOP, 0000
*RICHARD A. KOYAMA, 0000
*JAMES G. LESTON, 0000
*MARVIN W. LUCKIE, 0000
*JONATHAN A. MCGRAW, 0000
*DAVID D. MCMILLAN, 0000
*JOHNNY D. MESSER, 0000
*PRISCILLA A. MONDT, 0000
*RUSS B. MORGAN, 0000
*STEVEN L. NELSON, 0000
*JERRY L. OWENS, 0000
*PAMELA L. PARKER, 0000
*THEASAL L. PERRY, 0000
*JOHN H. PETERS, 0000
*WRAY B. PHYSIOC III, 0000
*ROBERT L. POWERS, JR., 0000
*PATRICK A. RATIGAN, 0000
*CARL R. RAU, 0000
*HARRY A. RAUCH III, 0000
*KENNETH F. REVELL, 0000
*DAVID M. SCHEIDER, 0000
*LARRY K. SHARP, 0000
*JONATHAN E. SHAW, 0000
*BARBARA K. SHERER, 0000
*THOMAS L. SOLHJEM, 0000
*MARTIN F. STEISSLINGER, 0000
*HARLON J. TRIPLETT, JR., 0000
*CHARLES L. TULLIS, 0000
*BRYAN J. WALKER, 0000
*ROY T. WALKER, 0000
*STEPHEN M. WALSH, 0000
*DAVID L. WATERS, SR., 0000
*JAMES C. WATSON, 0000
*THOMAS C. WAYNICK, 0000
*THOMAS B. WHEATLEY, 0000
*BARRY M. WHITE, 0000
*MITCHELL S. WILK, 0000
*JERRY M. WOODBERY, 0000
*KENNETH W. YATES, 0000
*MARK A. ZERGER, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY AND FOR REGULAR APPOINTMENT IN THE MEDICAL CORPS OR DENTAL CORPS (IDENTIFIED BY AN ASTERISK (*)) UNDER TITLE 10, UNITED STATES CONGRESS SECTIONS 624, 531 AND 3064:

To be lieutenant colonel

CHRISTIAN F. ACHLEITHNER, 0000
*JOHN P. ALBANO, 0000
THOMAS W. ALLEN, 0000
RUBEN J. ALVERO, 0000
*DAVID G. BATES, 0000
*MICHAEL A. BATTISTA, 0000
*DAVID W. BEAN, JR., 0000
RICHARD T. BEITZ, JR., 0000
RENEE M. BERNIER, 0000
*LISA A. BLACK, 0000
THOMAS J. BORRIS, 0000
*DAVID J. BRADSHAW, 0000
*BRIAN J. BURKE, 0000
*LEON R. BYBEE, 0000
*LEOPOLDO C. CANCIO, 0000
*JAY W. CARLSON, 0000
*MICHAEL A. CAROME, 0000
*CLYDE T. CARPENTER, 0000
*DERRICK R. CARTER, 0000
*THOMAS J. CASEY, 0000
*REED S. CHRISTENSEN, 0000
*CLARK M. COMEAUX, 0000
*PHILIP C. CORCORAN, 0000
*MICHAEL R. CRADDOCK, 0000
DARRYL D. CUDA, 0000
SUZANNE E. CUDA, 0000
*MICHAEL D. CUNNINGHAM, 0000
*THOMAS W. DACZKOWSKI, 0000
*CHRISTOPHER A. DANBY, 0000
*BETH E. DAVIS, 0000
WILLIAM B. DAVIS, 0000
PHILIP DENICOLO, 0000
WILLIAM C. DOUKAS, 0000
MATTHEW E. DUBAN, 0000
*DAVID J. DUBOIS, 0000
*PATRICK E. DUFFY, 0000
ALBERT B. DUNCAN, 0000
SUSAN G. DUNLOW, 0000
DENNIS P. EASTMAN, 0000
JAMES M. ECKLUND, 0000
*JEFFREY M. EDMONDSON, 0000
*CHARLES C. ENGEL, JR., 0000
*WILLIAM A. EVELAND III, 0000
*MARY P. FAIRCHOK, 0000
*ALBERT G. FEDALEI, 0000
JAMES R. FICKE, 0000
EDWARD B. FOWLER, 0000
*PAUL O. FRANCIS, 0000
SUSAN L. FRASER, 0000
GEORGE N. GIACOPPE, JR., 0000
DAVID L. GILLESPIE, 0000
JEFFREY A. GRASSER, 0000
DONN A. GRIMES, 0000
*PETER M. GRONET, 0000
*STEPHEN C. GROO, 0000
*MICHAEL E. HALLIGAN, 0000
*JAMES E. HANCOCK, JR., 0000
*BART J. HARMON, 0000
*PATRICIA R. HASTINGS, 0000
*HOWARD B. HEIDENBERG, 0000
*BERNARD J. HENNESSY, 0000
STEVEN P. HESS, 0000
*KAREN A. HICKS, 0000
*JEFFREY F. HINES, 0000
*RODNEY D. HOLLIFIELD, 0000
JOHN J. HORAN, 0000
*GORDON HSIEH, 0000
GEORGE J. HUCAL, 0000
*KATHLEEN M. INGWERSEN, 0000
*DEAN A. INOUYE, 0000
*BARBARA L. JENNINGS, 0000
*ARTHUR G. KANE, 0000
KENT E. KESTER, 0000
*DONALD G. KIM, 0000
*THADDEUS J. KROLICKI, 0000
*WALTER J. LAWRENCE, 0000
BRIAN C. LEIN, 0000
ROBERT J. LENGYEL, 0000
CASEY P. LESER, 0000
*GEOFFREY S. LING, 0000
JEFFREY L. LONGACRE, 0000
*ERIC A. MANN, 0000
*GLENN R. MARKENSON, 0000
*DANIEL M. MCCALLUM, 0000
*TRACY S. MCGEE, 0000
SCOTT D. MCLEAN, 0000
*RUSSELL B. MIDKIFF, 0000
*DAVID W. MILLER, SR., 0000
PETE MINES, 0000
*DONALD G. MONDRAGON II, 0000
MICHAEL J. MOONEY, 0000
*PAUL M. MOORE, 0000
*TERESITA MORALES, 0000
*KEVIN J. MORK, 0000
*BRENT V. NELSON, 0000
*RICHARD A. NICHOLS, JR., 0000
*WILLIAM L. NOVAKOSKI, 0000
*THOMAS D. OSTRONIC, 0000
*STEPHEN R. PALMER, 0000
*MARK E. PEACOCK, 0000
ANITA M. PEDERSEN, 0000
ROBERT C. PEDERSEN, 0000
*JOSEPH P. PINEAU, 0000
*FREDRIC R. PLOTKIN, 0000
JAMES A. POLO, 0000
KATHLEEN B. POLO, 0000
*DOUGLAS A. PRAGER, 0000
JEFFREY G. PRIEST, 0000
*BENNETT L. RADFORD, 0000
*SERVANDO RAMOS, JR., 0000
*ELSPETH C. RITCHIE, 0000
JOHN R. ROYAL, 0000
*ROBERT T. RUIZ, 0000
*PETER D. RUMM, 0000
GUY P. RUNKLE, 0000
*MICHAEL A. SAWYER, 0000
NOAH S. SCHENKMAN, 0000
*JOHN P. SCHWEGMANN, 0000
FRANK W. SCRIBBICK III, 0000
GAIL L. SEIKEN, 0000
ROBERT C. SHAKESPEARE, 0000
*CALVIN Y. SHIROMA, 0000
MARK T. SISSON, 0000
*CLIFTON S. SLADE, 0000
*DAVID G. SMITH, 0000
JAMES B. SMITH, 0000
*FRANK C. SNYDER, 0000
DON P. SPEERS, JR., 0000
RICHARD S. STACK, 0000
*WILLIAM K. STATZ, 0000
RONALD S. SUTHERLAND, 0000
*JOHN C. TALBOT, 0000
*KELLY E. TAYLOR, 0000
*GILBERT R. TEAGUE, 0000
*MARK J. TEDESCO, 0000
*JAMES B. THRASHER, 0000
*SHARON M. TOMASKI, 0000
PETER G. TOROK, 0000
*ANDREW W. TORRANCE, 0000
*MICHAEL T. TRAVIS, 0000
*MARIE J. TRENGA, 0000
*ALAN S. VANNORMAN, 0000
PAULA S. VOGEL, 0000
*DOUGLAS A. WALDREP, 0000
JOHN C. WALKER, 0000
*JAMES O. WALMANN, 0000
*MARK L. WELCH, 0000
*JOHN M. WEMPE, 0000
THOMAS M. WILEY, 0000
*JAMES A. WILKERSON IV, 0000
*ROBERT W. WILKESON, 0000
*CLINTON G. WOLBOLDT, 0000
*MARY J. WYMAN, 0000
*TERRY D. YEAGER, 0000
*DANIEL A. ZELESKI, 0000

THE JUDICIARY

A RICHARD CAPUTO, OF PENNSYLVANIA, TO BE U.S. DISTRICT JUDGE FOR THE MIDDLE DISTRICT OF PENNSYLVANIA VICE RICHARD P. CONABOY, RETIRED.

G. PATRICK MURPHY, OF ILLINOIS, TO BE U.S. DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF ILLINOIS VICE WILLIAM D. STIEHEL, RETIRED.

CARLOS R. MORENO, OF CALIFORNIA, TO BE U.S. DISTRICT JUDGE FOR THE CENTRAL DISTRICT OF CALIFORNIA VICE ROBERT M. TAKASUGI, RETIRED.

MICHAEL P. MCCUSKEY, OF ILLINOIS, TO BE U.S. DISTRICT JUDGE FOR THE CENTRAL DISTRICT OF ILLINOIS VICE HAROLD A. BAKER, RETIRED.

VICTORIA A. ROBERTS, OF MICHIGAN, TO BE U.S. DISTRICT JUDGE FOR THE EASTERN DISTRICT OF MICHIGAN VICE GEORGE LAPLATA, RETIRED.

FREDERICA A. MASSIAH-JACKSON, OF PENNSYLVANIA, TO BE U.S. DISTRICT JUDGE FOR THE EASTERN DISTRICT OF PENNSYLVANIA VICE THOMAS N. O'NEILL, JR., RETIRED.

BRUCE C. KAUFFMAN, OF PENNSYLVANIA, TO BE U.S. DISTRICT JUDGE FOR THE EASTERN DISTRICT OF PENNSYLVANIA VICE JAMES MCGIRR KELLY, RETIRED.

JOHN H. BINGLER, JR., OF PENNSYLVANIA, TO BE U.S. DISTRICT JUDGE FOR THE WESTERN DISTRICT OF PENNSYLVANIA VICE MAURICE B. COHILL, JR., RETIRED.

JAMES S. GWIN, OF OHIO, TO BE U.S. DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF OHIO VICE SAM H. BELL, RETIRED.

JEFFREY D. COLMAN, OF ILLINOIS, TO BE U.S. DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF ILLINOIS VICE BRIAN B. DUFF, RETIRED.

REBBECCA R. PALLMEYER, OF ILLINOIS, TO BE U.S. DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF ILLINOIS VICE WILLIAM T. HART, RETIRED.

DAN A. POLSTER, OF OHIO, TO BE U.S. DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF OHIO VICE DAVID D. DOWD, JR., RETIRED.

ALGENON L. MARBLEY, OF OHIO, TO BE U.S. DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF OHIO VICE JOHN D. HOLSCHUH, RETIRED.

IN THE AIR FORCE

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT IN THE U.S. AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601 AND TO BE APPOINTED AS CHIEF OF STAFF, U.S. AIR FORCE UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CHIEF, SECTION 8033:

To be general

GEN. MICHAEL E. RYAN, 0000

DEFENSE NUCLEAR FACILITIES SAFETY BOARD

JOHN E. MANSFIELD, OF VIRGINIA, TO BE A MEMBER OF THE DEFENSE NUCLEAR FACILITIES SAFETY BOARD FOR A TERM EXPIRING OCTOBER 18, 2001, VICE JOHN W. CRAWFORD, JR., RESIGNED.

DEPARTMENT OF STATE

GEORGE EDWARD MOOSE, OF MARYLAND, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER, TO BE REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE EUROPEAN OFFICE OF THE UNITED NATIONS, WITH THE RANK OF AMBASSADOR.

INTER-AMERICAN FOUNDATION

NANCY DORN, OF THE DISTRICT OF COLUMBIA, TO BE MEMBER OF THE BOARD OF DIRECTORS OF THE INTER-AMERICAN FOUNDATION FOR A TERM EXPIRING JUNE 26, 2002, VICE NORTON STEVENS, TERM EXPIRED.

DEPARTMENT OF VETERANS AFFAIRS

HERSHEL WAYNE GOBER, OF ARKANSAS, TO BE SECRETARY OF VETERANS AFFAIRS, VICE JESSE BROWN, RESIGNED.

NATIONAL CREDIT UNION ADMINISTRATION BOARD

DENNIS DOLLAR, OF MISSISSIPPI, TO BE A MEMBER OF THE NATIONAL CREDIT UNION ADMINISTRATION BOARD FOR A TERM EXPIRING APRIL 10, 2003, VICE SHIRLEE BOWNE, TERM EXPIRED.

FEDERAL COMMUNICATIONS COMMISSION

MICHAEL K. POWELL, OF VIRGINIA, TO BE A MEMBER OF THE FEDERAL COMMUNICATIONS COMMISSION FOR A TERM OF FIVE YEARS FROM JULY 1, 1997, VICE RACHELLE B. CHONG, TERM EXPIRED.

CONFIRMATIONS

Executive Nominations Confirmed by the Senate July 31, 1997:

DEPARTMENT OF COMMERCE

ROBERT S. LARUSSA, OF MARYLAND, TO BE AN ASSISTANT SECRETARY OF COMMERCE.

NATIONAL COUNCIL ON DISABILITY

YERKER ANDERSSON, OF MARYLAND, TO BE A MEMBER OF THE NATIONAL COUNCIL ON DISABILITY FOR A TERM EXPIRING SEPTEMBER 17, 1999.

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

JOSE-MARIE GRIFFITHS, OF TENNESSEE, TO BE A MEMBER OF THE NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE FOR A TERM EXPIRING JULY 19, 2001.

DEPARTMENT OF STATE

DAVID J. SCHEFFER, OF VIRGINIA, TO BE AMBASSADOR AT LARGE FOR WAR CRIMES ISSUES.

RALPH FRANK, OF WASHINGTON, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE KINGDOM OF NEPAL.

JOHN C. HOLZMAN, OF HAWAII, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE PEOPLE'S REPUBLIC OF BANGLADESH.

GORDON D. GIFFIN, OF GEORGIA, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO CANADA.

KARL FREDERICK INDERFURTH, OF NORTH CAROLINA, TO BE ASSISTANT SECRETARY OF STATE FOR SOUTH ASIAN AFFAIRS.

LINDA JANE ZACK TARR-WHELAN, OF VIRGINIA, FOR THE RANK OF AMBASSADOR DURING HER TENURE OF SERVICE AS U.S. REPRESENTATIVE TO THE COMMISSION

ON THE STATUS OF WOMEN OF THE ECONOMIC AND SOCIAL COUNCIL OF THE UNITED NATIONS.

RICHARD SKLAR, OF CALIFORNIA, TO BE REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE UNITED NATIONS FOR U.N. MANAGEMENT AND REFORM, WITH THE RANK OF AMBASSADOR.

A. PETER BURLEIGH, OF CALIFORNIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE THE DEPUTY REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE UNITED NATIONS, WITH THE RANK AND STATUS OF AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY.

DEPARTMENT OF DEFENSE

RUDY DELEON, OF CALIFORNIA, TO BE UNDER SECRETARY OF DEFENSE FOR PERSONNEL AND READINESS.

DEPARTMENT OF THE INTERIOR

KATHLEEN M. KARPAN, OF WYOMING, TO BE DIRECTOR OF THE OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT.

U.S. ENRICHMENT CORP.

KNEELAND C. YOUNGBLOOD, OF TEXAS, TO BE A MEMBER OF THE BOARD OF DIRECTOR OF THE U.S. ENRICHMENT CORP. FOR A TERM EXPIRING FEBRUARY 24, 2002.

DEPARTMENT OF THE INTERIOR

ROBERT G. STANTON, OF VIRGINIA, TO BE DIRECTOR OF THE NATIONAL PARK SERVICE.

PATRICK A. SHEA, OF UTAH, TO BE DIRECTOR OF THE BUREAU OF LAND MANAGEMENT.

DEPARTMENT OF TRANSPORTATION

JANE GARVEY, OF MASSACHUSETTS, TO BE ADMINISTRATOR OF THE FEDERAL AVIATION ADMINISTRATION FOR THE TERM OF 5 YEARS.

NATIONAL COUNCIL ON DISABILITY

GINA MCDONALD, OF KANSAS, TO BE A MEMBER OF THE NATIONAL COUNCIL ON DISABILITY FOR A TERM EXPIRING SEPTEMBER 17, 1998.

BONNIE O'DAY, OF MINNESOTA, TO BE A MEMBER OF THE NATIONAL COUNCIL ON DISABILITY FOR A TERM EXPIRING SEPTEMBER 17, 1998.

NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD

PAUL SIMON, OF ILLINOIS, TO BE A MEMBER OF THE NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD FOR A TERM EXPIRING SEPTEMBER 22, 1998.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

LOUIS CALDERA, OF CALIFORNIA, TO BE A MANAGING DIRECTOR OF THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE.

DEPARTMENT OF THE INTERIOR

JAMIE RAPAPORT CLARK, OF MARYLAND, TO BE DIRECTOR OF THE U.S. FISH AND WILDLIFE SERVICE.

DEPARTMENT OF AGRICULTURE

SHIRLEY ROBINSON WATKINS, OF ARKANSAS, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE COMMODITY CREDIT CORPORATION.

SHIRLEY ROBINSON WATKINS, OF ARKANSAS, TO BE UNDER SECRETARY OF AGRICULTURE FOR FOOD, NUTRITION, AND CONSUMER SERVICES.

I. MILEY GONZALEZ, OF NEW MEXICO, TO BE UNDER SECRETARY OF AGRICULTURE FOR RESEARCH, EDUCATION, AND ECONOMICS.

CATHERINE E. WOTEKI, OF THE DISTRICT OF COLUMBIA, TO BE UNDER SECRETARY OF AGRICULTURE FOR FOOD SAFETY.

AUGUST SCHUMACHER, JR., OF MASSACHUSETTS, TO BE UNDER SECRETARY OF AGRICULTURE FOR FARM AND FOREIGN AGRICULTURAL SERVICES.

AUGUST SCHUMACHER, JR., OF MASSACHUSETTS, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE COMMODITY CREDIT CORPORATION.

DEPARTMENT OF STATE

EDWARD WILLIAM GNEHM, JR., OF GEORGIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE DIRECTOR GENERAL OF THE FOREIGN SERVICE.

JAMES W. PARDEW, JR., OF VIRGINIA, FOR THE RANK OF AMBASSADOR DURING HIS TENURE OF SERVICE AS U.S. SPECIAL REPRESENTATIVE FOR MILITARY STABILIZATION IN THE BALKANS.

STANLEY O. ROTH, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF STATE.

MARC GROSSMAN, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AN ASSISTANT SECRETARY OF STATE.

JAMES P. RUBIN, OF NEW YORK, TO BE AN ASSISTANT SECRETARY OF STATE.

BONNIE R. COHEN, OF DISTRICT OF COLUMBIA, TO BE AN UNDER SECRETARY OF STATE.

DAVID ANDREWS, OF CALIFORNIA, TO BE LEGAL ADVISER OF THE DEPARTMENT OF STATE.

WENDY RUTH SHERMAN, OF MARYLAND, TO BE COUNSELOR OF THE DEPARTMENT OF STATE, AND TO HAVE THE RANK OF AMBASSADOR DURING HER TENURE OF SERVICE.

JOHN CHRISTIAN KORNBLUM, OF MICHIGAN, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE FEDERAL REPUBLIC OF GERMANY.

JAMES FRANKLIN COLLINS, OF ILLINOIS, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE RUSSIAN FEDERATION.

MAURA HARTY, OF FLORIDA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF PARAGUAY.

JAMES F. MACK, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE CO-OPERATIVE REPUBLIC OF GUYANA.

ANNE MARIE SIGMUND, OF THE DISTRICT OF COLUMBIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE KYRGYZ REPUBLIC.

KEITH C. SMITH, OF CALIFORNIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF LITHUANIA.

DANIEL V. SPECKHARD, OF WISCONSIN, A CAREER MEMBER OF THE SENIOR EXECUTIVE SERVICE, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF BELARUS.

RICHARD DALE KAUZLARICH, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF BOSNIA AND HERZGOVINA.

FELIX GEORGE ROHATYN, OF NEW YORK, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO FRANCE.

PHILIP LADER, OF SOUTH CAROLINA, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND.

FEDERAL RETIREMENT THRIFT INVESTMENT BOARD

JAMES H. ATKINS, OF ARKANSAS, TO BE A MEMBER OF THE FEDERAL RETIREMENT THRIFT INVESTMENT BOARD FOR A TERM EXPIRING SEPTEMBER 25, 2000.

OFFICE OF PERSONNEL MANAGEMENT

JANICE R. LACHANCE, OF VIRGINIA, TO BE DEPUTY DIRECTOR OF THE OFFICE OF PERSONNEL MANAGEMENT.

POSTAL RATE COMMISSIONER

GEORGE A. OMAS, OF MISSISSIPPI, TO BE A COMMISSIONER OF THE POSTAL RATE COMMISSION FOR A TERM EXPIRING OCTOBER 14, 2000.

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.

U.S. INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

GEORGE MUNOZ, OF ILLINOIS, TO BE PRESIDENT OF THE OVERSEAS PRIVATE INVESTMENT CORP.

THE JUDICIARY

THOMAS W. THRASH, JR., OF GEORGIA, TO BE U.S. DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF GEORGIA.

ERIC L. CLAY, OF MICHIGAN, TO BE U.S. CIRCUIT JUDGE FOR THE SIXTH CIRCUIT.

ARTHUR GAJARSA, OF MARYLAND, TO BE U.S. CIRCUIT JUDGE FOR THE FEDERAL CIRCUIT.

MARY ANN GOODEN TERRELL, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSOCIATE JUDGE OF THE SUPERIOR COURT OF THE DISTRICT OF COLUMBIA FOR THE TERM OF 15 YEARS.

DEPARTMENT OF JUSTICE

CALVIN D. BUCHANAN, OF MISSISSIPPI, TO BE U.S. ATTORNEY FOR THE NORTHERN DISTRICT OF MISSISSIPPI FOR THE TERM OF 4 YEARS.

THOMAS E. SCOTT, OF FLORIDA, TO BE U.S. ATTORNEY FOR THE SOUTHERN DISTRICT OF FLORIDA FOR THE TERM OF 4 YEARS.

IN THE AIR FORCE

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT IN THE U.S. AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. ROBERT H. FOGLESONG, 8617

IN THE ARMY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT IN THE U.S. ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. JOHN M. PICKLER, 5130

IN THE MARINE CORPS

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT IN THE U.S. MARINE CORPS TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. MICHAEL J. BYRON, 1295

FOREIGN SERVICE

FOREIGN SERVICE NOMINATION OF MARILYN E. HULBERT, WHICH WAS RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF FEBRUARY 13, 1997.

FOREIGN SERVICE NOMINATIONS BEGINNING JOHN R. SWALLOW, AND ENDING GEORGE S. DRAGNICH, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 25, 1997.

EXTENSIONS OF REMARKS

IN RECOGNITION OF A COMMITMENT TO SOLAR ENERGY

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1997

Mr. KUCINICH. Mr. Speaker, I rise to acknowledge the commitment this Congress has made to solar energy research and technology.

This Congress, following the recommendations of the Energy and Water Subcommittee of the Committee on Appropriations, appropriated an increase of $62,960,000 over the fiscal year 1997 funding level. Specifically, Congress has continued or increased America's investment in solar energy through appropriations for solar building research, photovoltaic energy systems, biomass/biofuel energy systems, wind energy systems, and renewable energy production incentives.

Solar energy technology is made in America by companies large and small, by American workers occupying high-technology, high wage jobs. British Petroleum, for example, is the second largest solar technology manufacturer in the world and is headquartered in Cleveland, OH. Solar Cells Inc., based in Toledo, OH, is a small company, the innovations of which help make solar energy available and commercially viable throughout America.

Additionally, this Congress has underscored the significance of Federal procurement of solar technologies. In 1994, the President issued Executive Order 12902, the goal of which was to encourage cost-effective uses of solar energy by all departments in Government. Congress has now instructed the Department of Energy to report to Congress on the progress of implementing this landmark order.

Solar energy research is a dynamic, innovative and extremely important technological advance. It is a safe, clean and renewable energy process which is becoming more and more cost effective and productive as each year passes. Solar energy may lead the way to lighting up our Nation's future on the investments we make today.

HONORING NEW LENOX HARRY E. ANDERSON VFW POST 9545

HON. JERRY WELLER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1997

Mr. WELLER. Mr. Speaker, I rise today to honor the New Lenox Harry E. Anderson VFW Post 9545 for 50 years of dedicated service to the Veterans of Foreign Wars.

Post 9545 was established on July 19, 1947, with the Ladies Auxiliary being formed on November 30, 1947. In the beginning veterans would gather at various locations such as garages, members' homes, and church basements. It was with great pride and pleasure that they have persevered and occupy their present building on Old Hickory Road.

Post 9545 was named after Harry E. Anderson, a New Lenox resident who was killed during the Pearl Harbor invasion and became the first Will County World War II fatality.

The Harry Anderson Post 9545 has proven to be a great asset to the New Lenox community. Its members have shown themselves to be the first to volunteer when services are needed. A particularly important role played by Post 9545 has been the promotion and encouragement of patriotism in the New Lenox community.

I especially admire the way the Post has withstood adversity such as the devastating fire in 1995 which destroyed their building. Instead of giving up, the Post maintained their spirit and rebuilt their home.

I urge this body to identify and recognize other organizations in their communities whose actions have so greatly benefited the veterans' community and their own community.

RELIEF FOR JOHN EDWARD ARMSTRONG DENNEY

HON. JOHN LEWIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1997

Mr. LEWIS of Georgia. Mr. Speaker, today I am introducing legislation that would provide permanent residency to John Edward Armstrong Denney.

John Denney currently is a citizen of Australia. John was abandoned by his parents in the hospital and was raised in foster care. Eventually, John found himself in the care of Mrs. Armstrong, a widow who took in foster children for a living. Mrs. Armstrong was the only mother John had, and she died in 1990. In 1989, John had his name changed to John Edward Armstrong in honor of his relationship with Mrs. Armstrong. Since her death, John has had no relatives in Australia.

In 1992, John came to Atlanta, GA, at the invitation of a friend from Australia who had married an American citizen. During his visit, John was an active member in the church and became very close with the Denney family. After a year, John's visa expired and he returned to Australia. John returned to the United States a year later, during which time he spent a great deal of time with the Denney family. He is close to Kristina, the youngest member of the Denney family, who suffers from very poor health. On February 23, 1995, the Denney family adopted John. On March 3, John returned to Australia.

John has no family in Australia. The Denney family, especially 5-year-old Kristina, want John to join his adopted family in America. U.S. immigration laws offer no help for John in his attempt to join the first family he has ever known. My legislation will allow John Edward Armstrong Denney to be reunited with that family permanently, by granting him permanent status as a U.S. resident. I look forward to working with my colleagues to help John rejoin his family and find a home.

IN COMMEMORATION OF THE BOLIVIAN FOLK THEATER FESTIVAL OF 1997

HON. THOMAS M. DAVIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1997

Mr. DAVIS of Virginia. Mr. Speaker, it gives me great pleasure to rise today to recognize the Bolivian Folk Theater Festival of 1997. This important event is sponsored by both the Bolivian American Cultural Union Inc., a non-profit institution and the Bolivian Embassy. The primary goal of this festival is to share the immense and diverse culture of the fast growing Bolivian-American community through an exhibition of their entertainment, arts, and crafts.

This year's festival will center on celebrating the Bolivian Independence Day. The Bolivian American Cultural Union has announced that the event will feature a presentation by the well known dance group, Ballet Folklorico de Bolivio, who have won awards in several international events. The event will also include the well known folk group Fortaleza that has won both international recognition and acclaim. Both groups will travel from Bolivia for this event.

Throughout its history, Bolivia has undergone turbulent change as well as social and cultural triumph. The Spaniards first made their inroads into what is now the nation of Bolivia in 1535. They found a rich and thriving native population that produced masterpiece textiles, feather art, and stone carvings. In addition, the Spaniards discovered native Americans who had developed sophisticated agricultural systems. Many of these rich indigenous traditions are still practiced today in religious ceremonies, festivals, and folklore that are celebrated throughout the county.

The Bolivian American Cultural Union first began to grow as social, economic, and political instability caused thousands of Bolivian nationals to flee Bolivia in late 1970. As a result of the cold war and the struggle against communism, many Bolivian students and professors came to the United States, looking to continue their education as well as a better array of opportunities. Moreover, as a result of drought and poor government planning that negatively impacted the agricultural industry, many working families came to America. Many Bolivians settled throughout the 50 States and a large number elected to live in the Washington metropolitan area. Bolivian immigrants and their families continue to contribute to both the cultural and economic aspects of their new home.

The Bolivian American Cultural Union represents an important part of every community in the United States. I am sure my colleagues are happy to join me in recognizing the Bolivian Folk Theater Festival of 1997, and all that it symbolizes for those Americans of Bolivian descent.

AMBASSADOR RICHARD N. GARDNER

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1997

Mr. HAMILTON. Mr. Speaker, Ambassador Richard N. Gardner has just completed 4 years as United States Ambassador to Spain. His distinguished service in Madrid follows an earlier assignment as United States Ambassador to Rome.

I would like to bring to the attention of my colleagues an editorial in the July 1, 1997 edition of the Madrid daily El Pais. This editorial is a real tribute to Dick Gardner and the extraordinary job he did while serving the United States overseas. We are indebted to Ambassador Gardner for his many contributions to the national interest and for the excellent service he gave to the broadening and deepening United States-Spanish relations. Transatlantic ties have been strengthened by his leadership.

I commend the editorial to my colleagues attention:

A FORTUNATE AMBASSADOR

(By Miguel Herrero de Miñón)

The U.S. Ambassador, Professor Gardner, and his wife, Danielle, will soon conclude their mission in our country. The time for farewells is the time for praise and the Gardners have made so many friends here, and even established family ties, that they will receive more than enough accolades. That is why I only want to bear witness to a simple, objective fact: Ambassador Gardner has been a fortunate ambassador, and good fortune, an excellent attribute for the one who has it and, particularly in the position he holds, requires two ingredients: specific circumstance and the ability to be able to navigate through to a safe port. The former is mere chance; the latter comes through character; good fortune consists of building a destination between the two.

The circumstance of Gardner's embassy in Spain is no less than the maturation of the U.S.-Spanish relationship, which led naturally to it becoming a truly ''special'' one. I think I was the first, now a number of years ago, to suggest this term, remarking that of all the countries in the European Union with the exception of the United Kingdom, Spain is potentially the one that has the most interests in common with the United States. Accordingly, the sometimes embarrassing security relationship begun over 40 years ago, has been growing while increasing economic, cultural, strategic and political ties have come to light. Massive student and teacher exchanges contributed to making Spain better known in the U.S. and to doing away with mistrust here; the restoration of democracy in our country opened the way to fuller cooperation, and the Gulf War marked a basic turning point, at least in Spanish public opinion.

But Gardner has had the historic opportunity to contribute decisively during these important recent years, to the acceleration and maturation of this trend, by preparing visits at the highest level in both directions, and collaborating in common, bilateral and multilateral undertakings, bringing the two societies closer together with better knowledge of each other. It was during his tenure that President Clinton launched the Transatlantic Agenda in Madrid and, also in Madrid with the Spaniard Solana at the helm, Atlantic Alliance reform took place, not to mention good political collaboration in other areas of mutual interest. It was also when economic and trade relations were intensified between out two countries, and educational and cultural relations between our two societies.

Gardner has been not only the representative of one Nation and its Government in another, but also an excellent mediator between two societies. He has come to learn and to teach, opened up possibilities and launched institutions, mobilized initiatives that in many cases are more private than public. His professional talents—the ability to turn Embassy breakfasts into seminars—and his intellectual talents—he has even enriched our bibliography with a masterpiece of economic-diplomatic history—have served his mission well, as has his liberal patriotism in the best tradition of American internationalism—as opposed to unilateralism and isolationism—which has always held that the implementation of manifest destiny involves making oneself known, understood and making friends.

The growing number of Spaniards who believe in the Atlantic community will miss him, because good fortune, doing such a good and timely job, is a rare and beneficent attribute.

HAPPY 125TH BIRTHDAY TO FAYETTE, OHIO

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1997

Ms. KAPTUR. Mr. Speaker, I rise today to recognize the 125th birthday of Fayette, OH, located in western Fulton County, OH in America's heartland. On August 2, 1997, this proud rural community will commemorate its milestone with a parade and festival, combined with the rural community's annual Bullthistle Festival.

The ''History of Fayette, Gorham Township, and Fulton County, Ohio'' notes that ''Fayette is located on a beach ridge. It crosses the west line of Franklin Township, a half mile north of the Fulton line, and runs northeast to Fayette and thence to the Michigan line. An ancient shore of Lake Erie came almost to Fayette. The beach ridges have but a small area. Interspersed with these are marshes and west prairies.'' The publication goes on to note that ''The first to settle within the present Fayette was Renesselear S. Humphrey.''

From the hardship and hard work of those earlier settlers, Fayette grew over the years into a thriving and vibrant community. It features the best of both worlds, a rural community but convenient to larger cities. It is a close-knit and good-hearted community of neighbors with agrarian and urban roots.

As part of the annual Bullthistle Festival, the citizens of Fayette will come together in a special ceremony commemorating the town's first 125 years. As flag flown over the U.S. Capitol will be presented to them during this ceremony. I will be pleased to join the community to remember 125 years of growth, and commit ourselves to its future. I know my colleagues join me in wishing the village of Fayette a Happy 125th Birthday.

IN HONOR OF THE NEW FAIRVIEW PARK REGIONAL LIBRARY

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1997

Mr. KUCINICH. Mr. Speaker, I rise to celebrate the opening of the new Fairview Park Regional Library on August 9, 1997, in Fairview Park. OH. Public libraries are one of the greatest treasures in our local communities because libraries are centers of knowledge, and what higher ideal can a society strive for, than the search for truth and knowledge. Libraries provide our children a place where they can enrich their minds and provide adults a place where they can continue their education. The people of Fairview Park are excited about their new library. The new library will cater to both the young and old and will serve as a meeting place for the entire community. I am proud to announce that another center for learning has opened in northeast Ohio and I congratulate the people of Fairview Park on the addition of the new library to their community:

[From the Sun Herald, July 24, 1997]

REGIONAL LIBRARY GETS READY TO OPEN ITS LATEST CHAPTER

(By Ken Prendergast)

Some wonder if the library's exterior could have been different. Some regret that a viable furniture store was razed for it. Others say they wanted the library located elsewhere in Fairview Park.

Those ''what ifs'' will be filed in the historical footnotes, now that the new, $6.5 million Fairview Park Regional Library is a heartbeat away from its Aug. 9 opening.

Once people walk into the new library, something will happen. Comparisons between the new and old libraries will occur automatically. But there is no comparison.

The old library is a labyrinth. The new is more like the atrium of a Fortune 500 company's headquarters. The old has no rhyme or reason in its layout. In the new library, it is possible to find your way without asking someone—twice. The old featured duct tape. The new actually has carpeting.

''I think it will serve the community a whole lot better than where we are,'' said Cathy Monnin, manager of the regional library.

Library users may be surprised at how spacious the new building is. The glass front puts natural light into a three-story-tall atrium, graced by a spiral staircase. Entry to the library is at the middle level.

On the atrium's ground level is a coffee lounge. That's where Java Connection will stand, starting in late November. The coffee business is owned by Cleveland Crunch soccer player Andy Schmetzer. Above, artwork dangles from the third-floor ceiling. Barely noticeable, soft music is piped in

''We're trying to do a Border's-style feel,'' Monnin said.

Just as functional, the library was designed by Chagrin Falls architect David Holzheimer, who plans buildings from the inside-out.

''This old library is kind of a labyrinth,'' Monnin said. ''Everything is in different sections. In the new library, everything is together.''

The new library has 44,000 square feet of floor space and lots of amenities. There is a separate room for holding ''Story Hours'' for children, complete with its own bathrooms and a patio for holding story hours during nice weather.

Available to the public will be four independent study rooms, which eventually will have personal computers. And, speaking of computers, half the tables in the library feature floor outlets so laptop computers can be plugged in.

For those who aren't machine compatible, an electronic learning lab for Internet training was built.

There also is an adult services room, a geography section, a microfilm area and, of course, a whole section devoted only to genealogy. One limited-access room will contain rare items, such as historical and holiday-oriented material.

All of the books, tapes, discs and catalogues will be moved starting Monday—when the old library shuts down for good.

The new library will open its doors to the public at 9 a.m. Aug. 9. At 7 p.m. Aug. 8, a grand opening celebration, called ''A World of Opportunities,'' will feature a laser light show, plus music, refreshments and library tours.

''Everyone is looking forward to it,'' Monnin said. ''I can't wait.''

HONORING BIMBA MANUFACTURING CO.

HON. JERRY WELLER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1997

Mr. WELLER. Mr. Speaker, I rise today to honor Bimba Manufacturing Co., who is celebrating 40 years of business and the retirement of the ESOP loan.

Bimba Manufacturing was founded by Charles W. Bimba, Sr., the son of Barbara and Joe Bimba who came to America from Lithuania. While on a service call in Danville, IL, Mr. Bimba dreamed of developing a low cost, nonrepairable cylinder that would help enhance productivity. In 1957, Mr. Bimba bought a 100-year-old barn in Monee, IL to start his company. By 1969, the 1,100 square foot barn had been expanded six times.

Today, Bimba is employee-owned and remains the market leader in its field. Bimba Manufacturing has over 100 domestic and international distributors. In 1994, Bimba became the first cylinder manufacturer in North America to achieve certification from the ISO.

Bimba Manufacturing is also recognized as a leader in employee relations. In 1986, every employee was given the option to participate in an employee stock ownership plan. This plan continues to this day. Every employee who is a participant in the plan has a direct financial stake in the company. As the company prospers, the value of the common stock increases. Bimba is also proud to have maintained a record free of layoffs during its entire history; such a record is hard to find in this day and age.

I urge this body to identify and recognize other companies in their communities whose actions have so greatly benefited and enlightened America's working communities.

INTRODUCTION OF LEGISLATION

HON. PATRICK J. KENNEDY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1997

Mr. KENNEDY of Rhode Island. Mr. Speaker, today I am introducing along with Chairman JIM LEACH, the international criminal court resolution. The resolution establishes the sense of the U.S. Congress that our Nation should continue to support and fully participate in negotiations at the United Nations to establish a permanent international criminal court. It also states that we should provide any assistance necessary to expedite such establishment.

The resolution is the product of the consultation and input of numerous groups and experts on war crimes, and international human rights, including the Holocaust Museum Committee on Conscience, the U.S. Department of State, and the Washington Working Group on the International Criminal Court.

I have been interested in the subject of war crimes for both of my terms in Congress. In particular, my interest was heightened when I visited the Hague last year and had an opportunity to meet with Judge Gabrielle Kirk McDonald at that time. The work of that tribunal cannot be overestimated or overvalued. What I saw at the Hague was the dedication and hard work of several principled judicial representatives aiming to bring justice and a sense of peace back to a troubled region of the world.

We have seen major developments recently at the tribunal, including: its first verdict and sentencing of a 20-year prison term. The first war crimes proceeding against a commanding officer, since the end of World War II and the first NATO operation to arrest Bosnians accused of war crimes conducted by British troops with United States support.

Despite these actions and successes, the problem of war crimes is not dissipating. The recent atrocities committed in Rwanda, Zaire, Bosnia, and Cambodia are examples of why this court establishment is necessary now.

We must never forget that international crimes such as genocide, and crimes against humanity are antithetical to peace and security. The incident of such crimes have a destructive and harmful effect on our efforts to establish world peace. The failure to prosecute individuals suspected of these offenses reduces our opportunity, and more importantly, our responsibility, to protect the human rights of all individuals.

A permanent ICC with jurisdiction to try the most serious international crimes is an effective device to bring us closer to ending human rights abuses. The court will ensure that the law is applied in a fair and consistent manner and will act as a deterrent for future war crimes.

The United Nations is already ahead of us in this effort. A preparatory committee has been established and has met to discuss the details of a draft treaty to be considered at a diplomatic conference next year. More than 120 nations are represented on this committee, including the United States.

President Clinton voiced his support 2 years ago. I am pleased to announce that the resolution is endorsed by the Clinton administration and that it has the support of both the Department of Defense and Department of State. It is now time for Congress to make its support known also and I look forward to working with my colleagues for the passage of this resolution.

A PASSIONATE VOICE FOR SOCIAL AND ECONOMIC JUSTICE A TRIBUTE TO THE LIFE OF GARY SUDDUTH

HON. MARTIN OLAV SABO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1997

Mr. SABO. Mr. Speaker, Minnesota lost a passionate voice for social and economic justice when Gary Sudduth, the Minneapolis Urban League president, died suddenly this week at age 44. His untimely death strikes a blow to the community and efforts to make our cities better places to live, work, and learn.

For years, Gary's reputation as an effective force for social change was well-known, not only in Minnesota, but across the Nation. In the process, he touched and improved the lives of millions.

Gary was born and raised on the north side of Minneapolis with his eight brothers and sisters. He continued to live there until his death. In 1977, he joined the Minneapolis Urban League, and I first knew him as the young, active director of its juvenile advocate program. Later, he became director of the Street Academy and then vice president of community outreach and advocacy programs. In 1992, was named president and chief executive officer.

Throughout his tenure, Gary united people from all walks of life to focus on a common goal—improving the social and economic conditions for people in urban areas. He know how to negotiate with his adversaries and to prod his friends—all in the name of implementing policies that would revitalize cities and benefit their inhabitants. At the same time, he sought longlasting solutions for problems, not quick fixes. Above all, he listened and he led, sustained by the belief that every problem had a solution.

Gary demanded fairness, excellence, and accountability from the Government, from our schools and from the legal system. He challenged the establishment and the status quo to accomplish the changes he saw necessary—all the while speaking out for minorities, the poor, and for children. His moderating style and negotiating skills often brought calm, compromise, and peace to Minneapolis at times when crisis and unrest threatened to destabilize it.

It will be difficult for the community to replace the talents and drive of Gary Sudduth, who made the work of the Urban League his mission. The way he lived his life was an example for us all—in fact it was his greatest asset. The city of Minneapolis, the State of Minnesota, and indeed the Nation are better off for his commitment and his contributions. That is his enduring legacy. I hope his example has inspired a new generation of leaders and urban advocates who will try to emulate his life's work.

LOCAL CONTROL AND FAIR HOUSING REFORM ACT OF 1997

HON. RICHARD H. BAKER

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1997

Mr. BAKER. Mr. Speaker, today I rise to introduce legislation to reform the Fair Housing

Act in order to restore local control of neighborhoods across America.

Adopted in 1968 as the last major piece of civil rights legislation in that decade, the Fair Housing Act protects the rights of individuals to purchase property and live in a neighborhood anywhere they could afford. In principle, the Fair Housing Act—the act—is a good law.

In practice, however the act has been often heavy-handed. In too many instances, the act has superseded local control. In short, the Fair Housing Act has frequently served as a ''Washington knows best'' prescription for neighborhood planning. I intend to change that.

The legislation I am introducing today makes two important reforms:

First, it allows a community to exercise reasonable zoning and other land use regulations to determine the number of unrelated occupants in a home and the location of residential care facilities in the community; and

Second, it allows neighborhood residents to express legitimate concerns about land use in their neighborhoods, without threat of retaliation by the Federal Government.

This bill is an effort to restore balance to the Fair Housing Act. To fight vigorously against housing discrimination, the Federal Government must partner with local communities. Moreover, we must acknowledge the principle that local communities are in the best place both to fight discrimination and to judge how land is used in its neighborhoods. The Fair Housing Act should reflect this principle.

I urge all my colleagues to endorse this critical legislation to restore local control of America's neighborhoods.

CONGRESSWOMAN ELEANOR HOLMES NORTON RECOGNIZES KAPITOL KLOWNS

HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1997

Ms. NORTON. Mr. Speaker, Kapitol Klowns was organized 20 years ago, to perform within the greater D.C. area to provide wholesome family entertainment for all to enjoy. This club educates and encourages its members to the highest ideals in the art of clowning. This year, during International Clown Week, August 1–7 the Kapitol Klown Alley will be competing for the Clowns of America Award. The Charlie Award—Clowns Have A Real Love In Everyone—is an award that commemorates the alley that has the most active participating members during International Clown Week.

Mr. Speaker, the members of the Kapitol Klown Alley range from 5 to 79 years of age and help raise money for humanitarian causes. Among their humanitarian deeds, they served the community by participating in the 52d and 53d Presidential Inaugurations of the 20th century. They also provided financial support to The Children's Inn at NIH, an organization that meets the medical needs of children who experience serious and life threatening illnesses.

Mr. Speaker, the Kapitol Klown Alley has contributed to the Washington, D.C. Metropolitan area in other capacities such as the International Furnishings and Design Associates [IFDA] Christmas Party sponsored by the Kennedy Institute. Those individuals that reside at the Kennedy Institute are children who do not have family or live in disadvantaged homes. Last, but not least, the Kapitol Klowns supported the United States Navy Band by participating in the annual Children's ''Lollipops'' concert.

Mr. Speaker, these humanitarian deeds, among many others, exemplify that the Kapitol Klowns indeed have a real love for everyone.

Mr. Speaker, I ask that this body join me in acknowledging the public and human service commitment of the Kapitol Klown Alley.

CONGRESSMAN JACK QUINN, MC, ADVOCATING FUNDING FOR PROSTATE CANCER

HON. JACK QUINN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1997

Mr. QUINN. Mr. Speaker, I rise today to discuss a matter of life and death that most of us seldom hear anything about. Prostate cancer, which accounts for nearly one-fourth of all newly diagnosed cancer cases each year, is a disease that gets ignored in the national debate on health care. Unfortunately, the same stigma that used to be associated with breast cancer is still associated with prostate cancer. Men are afraid to discuss the disease with their families and with their doctors, and are often even afraid to acknowledge the disease in their own minds.

For this reason, prostate cancer has never received the attention it demands. Although over 41,000 men in this country die from prostate cancer each year, prostate cancer research receives only 3.6 percent of the Federal dollars allocated for cancer research. Just because many men are reluctant to call attention to this disease does not mean that they should be condemned to die. The United States currently spends less than $8 in research for every patient with prostate cancer. This Nation has an obligation to dedicate the same resources to prostate cancer research that it dedicates to other, more well-known diseases.

Looking the other way will not make the problem disappear. Between 1973 and 1993, the incidence of prostate cancer increased by 175.9 percent. As the baby boom generation turns 50 years old, the incidence of prostate cancer is projected to increase even further. Unless the Federal Government makes the commitment now to devote the necessary resources to battling this disease, the toll on Americans will continue to grow.

Too many men have died because they made the mistake of ignoring the devastating effect of prostate cancer. Please join me in preventing the Federal Government from making the same mistake.

IN HONOR OF ZORA NEALE HURSTON

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1997

Ms. ROS-LEHTINEN. Mr. Speaker, we rise to honor one of African-American's most influential and significant voices of the 20th century: Zora Neale Hurston. Zora is one of our most renowned and distinguished writers and interpreters of Southern African-American culture, and also serves today, almost 40 years after her death, as an experienced role model to all young women throughout the Nation. For all of her work and contributions to American culture and literature, it is fitting for all of us to have a commemorative stamp that would recognize Zora's contributions to American life.

There is a beautiful elementary school in my congressional district that is named for this gifted artist and I had the privilege of speaking to the brightest young boys and girls, as well as the talented teachers and staff who daily work and play and learn there.

Zora Neale Hurston came of age in literature at a time when a woman had only recently been granted the right to vote and when recognition for a female literary writer, especially an African-American woman, was unheard of. The key to Zora's success was her ability to overcome the odds and make a name for herself. I would like to congratulate Congresswoman CORRINE BROWN of Jacksonville for spearheading this congressional effort to have a stamp issued for Zora.

Zora grew up in Eatonville, FL, a small town approximately 10 miles out of Orlando, that was settled by newly-freed slaves; she was a daughter to a tenant farmer, who was later Eatonville's mayor. Although this great lady's schooling was constantly being interrupted, she maintained her natural curiosity and sharpened her creative abilities through her constant reading.

Even after she had given up her formal education, Zora insured her place in literary history by finishing high school while working as a waitress and enrolling at Howard University. It was there where she was encouraged to write by Alain Locke, one of the early African-American leaders, and other English professors. It was Zora's determination and commitment to literature that granted her the honor of having her short story, ''Drenched in Light,'' published in a 1924 edition of Opportunity, a magazine then published by the Urban League. It was the publication of this short story that eventually resulted in her scholarship to Barnard College and Columbia University and a new interest in anthropology, specifically the folklore of Harlem and the American South, for which she is celebrated. Zora was then chosen as the victor of the Urban League's literary contest short story and one-act play categories. It was this recognition that was fundamental in having her associate with great artists and poets, including Langston Hughes.

Zora's writings and her work as a teacher, Hollywood scriptwriter, and a newspaper columnist, were all instrumental in her contributions to the American literary landscape. It was Zora's literary accomplishments, her style of writing, and the subject of the African-American experience that were indispensable in her major influence on such great contemporary female poets and authors such as Toni Morrison, Maya Angelou, and Alice Walker.

After Zora's death in 1960, the popularity of her writings increased. Today, Zora's name is highlighted in the Black Female Playwrights category and she has been inducted into the Women's Hall of Fame and Florida's Writer's Hall of Fame.

As a woman, a minority, and a former English teacher, I pay tribute to Zora Neale

Hurston for all of her achievements and for putting women's literary accomplishments on the map.

I am not the only one to applaud Zora for all that she achieved, for her writings have also been instrumental in inspiring the Zora Neale Hurston Festival which has boasted an attendance rate of 60,000 in the past, and is expected to grow to a rate of 100,000 this year. Past attendees have included literary great and Pulitzer Prize winner Alice Walker, in addition to other international visitors from as far as New Zealand, Japan, Italy, and Australia.

Zora Neale Hurston, we applaud you for your commitment and dedication to literature and for your influence on some of America's future great writers. The boys and girls who are so proud to attend the school that bears your name join me in spirit—in celebrating your legacy.

And I thank my dear Florida colleague, CORRINE BROWN.

100TH ANNIVERSARY OF KPMG PEAT MARWICK LLP

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1997

Mrs. ROUKEMA. Mr. Speaker, I am pleased to have the opportunity to call attention to an historic American success story. On August 2, 1997, KPMG Peat Marwick LLP, the accounting and consulting firm, headquartered in Montvale, NJ, celebrates 100 years in business in the United States. Founded by two Scotsmen who became naturalized citizens of this country, KPMG Peat Marwick is a private enterprise that has grown from two employees to 20,000 during a century of tremendous change. The firm's expansion on U.S. soil and around the world is a testament to the pioneering spirit and vision of James Marwick and Roger Mitchell, who identified the need for independent accounting review of companies big and small, and who met that need by conducting certified, independent audits.

These two accountants saw the extent to which participants in an open and free market rely on accurate financial information to make important business decisions—decisions that affect thousands of employees, investors, and consumers. They took seriously their charge as independent auditors, acknowledging the public trust they held when rendering audit opinions for clients that include some of the corporate giants in our Nation's history. When the needs of their clients expanded or varied, so did the services and capabilities of this firm. As the United States and the world embark on the frontier of the information age, this now-worldwide firm stands as a proud reminder of past accomplishment and a beacon of future advancement.

KPMG Peat Warwick has preserved and enhanced another great tradition during its first 100 years—that of community involvement. Indeed, the centerpiece of the firm's 100th anniversary celebration is its World of Spirit Day—a full day of giving back to the communities that have helped it to prosper. On September 22, 1997, KPMG will close the doors of every U.S. office for the day as 20,000 partners and employees band together to volunteer their time and talents. From Minneapolis to Miami, from New York to San Francisco, KPMG people will collectively spend 160,000 hours in service to their communities and those in need. At the end of the day, various offices will have done the following: built at least two residential homes; refurbished and painted public schools in multiple cities; taught and interacted with children in schools and child development centers; fed the hungry and homeless; landscaped youth camps; and cleaned local parks, rivers, and zoos. What a difference this day will make.

KPMG's mammoth commitment to community service was one reason it was the only professional service firm chosen to participate in the President's Summit for America's Future. It is my hope that their fine example proves to be a catalyst for other companies to make similar commitments.

Mr. Speaker, we are proud to have such a good corporate neighbor in our community. Let me congratulate the partners and employees of KPMG Peat Marwick on their firm's achievement of 100 years in business.

Over the course of a century, this company has advanced from verifying basic financial information in thick ledgers to providing complex assurance and consulting services at the dawn of a knowledge revolution. KPMG has proven it can evolve and thrive as time marches on. May its endurance and prosperity serve as positive lessons to future generations of enterprising Americans.

NATIONAL CAPITAL REVITALIZATION AND SELF-GOVERNMENT IMPROVEMENT ACT OF 1997

HON. THOMAS M. DAVIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1997

Mr. DAVIS of Virginia. Mr. Speaker, over 2 years ago the District of Columbia faced a spending and management challenge of epic proportions. We began in the 104th Congress a critically important process to address serious issues in a truly bipartisan way. I am grateful to Delegate ELEANOR HOLMES NORTON for working with me then and now in such a constructive manner.

With patience and perseverance the control board we created is having the intended effect. The control board has begun to instill much-needed fiscal discipline into the city's budget process. The city's return to the private financial markets is solid evidence that what Congress did is finally producing more credible numbers and better performance.

Without the control board the President's proposals are unlikely to have been made. I commend President Clinton for directing his administration to work with Congress as we now move into the next phase of our quest to revitalize the Nation's Capital. I also commend Speaker GINGRICH and the congressional leadership in both Houses for the extraordinary leadership, time, and attention they have given to the District of Columbia.

We have seized this rare opportunity to restructure and improve the complex relationship between the Federal Government and the Nation's Capital. Such improvement, which will more substantially involve the private sector, benefits the entire region. I have proceeded in the assumption, forged by years of service in local government, that we are all stakeholders in the Nation's Capital.

Clearly, this is a moment of truth. We are lightyears away from where we were 2 years ago, and we are now building on that momentum.

We have used the President's proposals as a starting point, enhanced by the memorandum of understanding between the city and the White House. No one ever expected Congress to rubberstamp these proposals, and we have not done so. We are substantially enhancing many aspects of the President's plan.

This is a historic accomplishment. We have moved beyond visionary mission statements and are commencing now the practical process of passing legislation that will be signed by the President. That effort will result in a more stable District of Columbia and a more efficient local government. These measures provide a roadmap for growth in the city, as well as in the entire region. It is more than my hope, it is my intention that at the end of the day we will succeed together.

The District of Columbia Subcommittee has invested considerable time and effort preparing for this hour. We have held six hearings, from February 20 to May 22. The subcommittee and its staff has worked diligently with local and Federal officials, along with many other stakeholders. The matter before us reflects the input we have received, enhanced by our vision for the District of Columbia.

This bill seeks to renew the economic and fiscal strength of the Nation's Capital. Its essential elements include Federal assumption of some government functions normally performed by state governments, and necessary incentives for economic development and private sector jobs. Authorization of funds is conditional on the District making specific budget and management improvements.

Our approach will reduce the District's financial burdens through cost avoidance of the fastest growing parts of its budget, such as Medicaid and its criminal justice system. The Federal Government will be making significant investments in these areas, along with other key areas. It is my firm belief that this enactment will realize the bipartisan vision for the Nation's Capital that has been so often expressed. That vision must now become a blueprint for progress, a renaissance in the Nation's Capital that will serve residents of this region, visitors, and the country as a whole.

TRIBUTE TO SISTER MARIA DOLORES BORJA, SISTER MARY ROBERTA TAITAMO, SISTER MARY DAMIEN, AND SISTER TRINI PANGELINAN

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1997

Mr. UNDERWOOD. Mr. Speaker, I rise today to honor four truly outstanding women from Guam on the occasion of their 50th and silver anniversaries as Religious Sisters of Mercy. Sister Maria Dolores Borja, Sister Mary Roberta Taitano, Sister Mary Damien, and Sister Trini Pangelinan have demonstrated through a lifetime of service to the community the meaning of good citizenship and selfless service. With gratitude and thanks I congratulate these Sisters of Mercy on their 50th and silver anniversaries.

Sister Maria Dolores Borja was born in Sumay, Guam, to Jose and Maria Soledad Sablan Borja. With a nursing degree from the Mercy School of Nursing, Sister Maria Dolores spent 15 years as a hall supervisor at Mercy Hospital in Charlotte, NC, and over 26 years at St. Joseph's Hospital. She later returned to Guam to take care of her godson and has since been working with the archbishop on archdiocesan projects. In addition to her work with the archdiocese, she has been actively involved with Catholic Daughters of America, the Catholic pro-life organization, Lina'la' Sin Casino, Health Care Service, and Guam Memorial Hospital. Her life has always reflected her motto of ''Fiat Voluntas Tua''—Your Will Be Done—and continues to demonstrate her strong faith.

Sister Mary Roberta Taitano, the daughter of Francisco Watkins and Tomasa Capeda Mateo, began her service as a Sister of Mercy in 1947 when she was received as a novice, along with Sister Maria Dolores in the historic Reception Ceremony at the Agana Cathedral. As a former English major at the Regis College in Massachusetts, Sister Mary Roberta has always had a strong interest in the welfare of children. She has served as a teacher at St. Anthony School and as principal at Cathedral Grade School and the Academy of Our Lady of Guam. Currently, she is the administrator of Mercy Heights Nursery and Kindergarten in Perezville.

Sister Mary Damien Terlaje shares Sister Mary Roberta Taitamo's love of children. One of the 11 children of the late Francisco Terlaje and the late Maria Terlaje, Sister Mary Damien Terlaje entered the Sisters of Mercy in 1946. She has taught at the Cathedral Grade School in Agana, the St. Anthony School, and most recently, at the Santa Barbara School. Sister Mary Damien Terlaje has also been involved in nursing work at the Mercy Hospital in Charlotte, NC, and is currently serving at the Infant of Prague Nursery in Tai. Despite her many years of service to the church and her great contributions, she still prescribes to the prayer ''Lord, I Am Not Worthy,'' a motto indicative of her humility and dedication.

Lastly, I'd like to congratulate Sister Trini Pangelinan on her silver anniversary as a Sister of Mercy. The daughter of Jose and Maria Pangelinan, she entered the Sisters of Mercy in 1964. Sister Trini Pangelinan holds a bachelor's degree from the University of Guam and a master's degree in social work from the University of North Carolina at Chapel Hill. With her training, she has been able to serve the Guam community in many ways. She has worked for the archdiocesan family and the Youth Ministry, served as the director of incorporation for the Sisters of Mercy, chaired the Social Justice Committee and Communications Team, served as co-spiritual director for the Couples for Christ movements, and helped found the Rainbows for All God's Children Program. Through all her services, her motto remains ''Glory To the Trinity.''

Once again, I stand to acknowledge the great contributions these four Sisters of Mercy have made to the welfare of not only Guam but also the United States. It is truly an honor for me to recognize these four Chamorro women on the occasion of their 50th and silver anniversary in the religious life.

GIVE FANS A CHANCE

HON. EARL BLUMENAUER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1997

Mr. BLUMENAUER. Mr. Speaker, I submit for the RECORD a column by Michael J. Volpe. Some members may recall Mr. Volpe from his bid in late 1996 and early 1997 to be a Free Agent Fan of major league baseball. Volpe used the attention generated from this effort to make the point that baseball fans felt neglected by owners, players, and their agents who were too busy chasing multi-million-dollar deals and forgetting the sportsmanship and fun of baseball.

Mr. Volpe now writes a nationally syndicated column for Universal Press Syndicate [UPS]. His column, entitled ''Fans May Get a Chance to Invest in Baseball Teams'' makes the connection between allowing public ownership of sports teams and improving the livability of our communities. Specifically, he points out that public ownership would help balance the private business interests of team owners with the public interests of communities who want to enjoy the direct and indirect benefits of having a professional sports team. Mr. Volpe notes that ''classic nine to five working stiffs [should] have the opportunity to own a piece of a major league baseball team''.

Mr. Volpe and I see eye-to-eye on this issue. Earlier this year I introduced H.R. 590, the Give Fans a Chance Act, which Mr. Volpe describes as ''* * * the most promising opportunity for the average fan to become an owner of his or her favorite professional sports team.'' The bill is designed to give communities the tools to invest in their own livability by allowing them to purchase their home sports team. The bill eliminates league rules against public ownership, gives communities a voice in team relocation decisions, and ties the leagues' broadcast antitrust exemption to the requirements in this bill.

Allowing communities to invest in their own livability makes sense for both the teams and the communities. The Green Bay Packers, founded in 1919, are a perfect example. In 1950, the fans saved the team from bankruptcy through a one and only public stock offering. Since then, this team from the NFL's smallest city has seen 175 consecutive sellouts, 11 championships, and three Superbowls, including the Superbowl they won this year. they have the best record in the NFL.

The Packers aren't an ordinary football team. Their fans aren't ordinary fans. And their community isn't an ordinary community—because 1,915 residents of Green Bay and other Packer Backers own their football team. The Packers help hold the Green Bay community together. More communities should have the opportunity Green Bay, WI, has to invest in their home sports team. More teams should have the opportunity to develop a loyal cadre of fans who will support the team through thick and thin.

I urge my colleagues to review Mr. Volpe's column and cosponsor my legislation.

FANS MAY GET CHANCE TO INVEST IN BASEBALL TEAMS

(By Michael J. Volpe)

The owners of major league baseball teams are all men and women of great wealth. George Steinbrenner, owner of the New York Yankees, made his millions through the shipping industry. Marge Schott of the Cincinnati Reds and Bud Selig of the Milwaukee Brewers are rich through auto dealerships. Blockbuster Videos helped make Florida Marlins owner Wayne Huizenga wealthy, while Peter Angelos of the Baltimore Orioles is an affluent labor law attorney.

However, unlike other sports teams, there are no classic nine to five working stiffs who have the opportunity to own a piece of a major league baseball team.

The Green Bay Packers football team, for instance, which won last year's Super Bowl, is owned by 1,915 individuals, most of whom are residents of Wisconsin. Fifty-eight percent of the Florida Panthers hockey team (ironically also owned by Huizenga), was sold to the public in 1996 at $10 a share. The Boston Celtics basketball team is also publicly traded on the New York Stock Exchange.

Major League baseball fans have been shut out on public ownership of teams until now. But two elected officials, who reside at opposite ends of the country, have quietly begun working to change that.

H.R. 590, the ''Give Fans A Chance Act'', is the most promising opportunity for the average fan to become an owner of his or her favorite professional sports team. The legislation is authored by freshman Representative Earl Blumenauer (D–Oregon), and is cosponsored by 15 other members of the House. According to a summary of the bill, the Act is designed ''to give communities the tools to invest in their own livability of allowing them to purchase their home sports team'' through public stock options and local community ownership.

Specifically, the bill prohibits any professional sports league from denying public ownership of teams. It requires a professional sports league, when considering approving the relocation of a member team, to take into account strict criteria. These includes fan loyalty; the extent to which the team benefits from public financing; whether the community is opposed to the relocation; and, whether there are bona fide investors (including fans) offering fair market value to purchase the team and keep it in the home community.

If a league ignores the later provision, it will lose its sports broadcast antitrust exemption, a congressionally granted benefit which allows for sale to a single purchaser. Sports broadcasting rights bring millions of dollars in revenues to Major League Baseball teams each year.

Blumenauer's bill, which awaits House action, is unique because his state has no major league baseball team. ''I don't have any particular bone to pick with the Leagues or their member teams,'' he said in a statement, so ''I can hopefully evaluate this issue from a public policy perspective, as opposed to a more parochial'' one. He quite simply wants to ensure ''that teams are playing it straight with their communities'' and are fair to the fans.

A measure similarly designed to aid fans was introduced in the Virginia State House earlier this year by Delegate Robert G. Marshall (R–Manassas). Marshall's bill would have established the Virginia Baseball Authority as a non-profit organization which would sell shares in a Major League Baseball team in small denominations. ''You would be able to own a little piece of baseball heaven for as little as $100 a share,'' Marshall said. Although his bill was not acted upon this year, Marshall said he plans to reintroduce the bill in next year's legislative session. His bill is important because Major League Baseball has indicated that Virginia may be a leading candidate to get a major league franchise in the next five years either through expansion or relocation of an existing team.

Although it is uncertain whether either piece of legislation will eventually become law, it is a fact that since 1950, there have been 68 franchise moves in baseball, football, basketball and hockey, 37 of which have taken place since 1970. Some existing baseball franchises are in financial trouble, including the Marlins, whose owner Wayne Huizenga now estimates his team will lose $30 million this year, forcing him to reduce his payroll next season or sell the franchise.

Perhaps Huizenga could take a page from his hockey franchise, and sell the Marlins back to the team's fans. This would go a long way towards establishing a balance between the private interests of team owners to maintain a profitable business and the ability of the Florida community to enjoy the direct and indirect benefits of having a professional baseball team.

NASA LEWIS RESEARCH CENTER: PART 2

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1997

Mr. KUCINICH. Mr. Speaker, I rise to honor and pay credit to the excellent work being conducted by the National Aeronautics and Space Administration's [NASA's] Lewis Research Center [Lewis].

The center, located in Cleveland, OH, is one of 10 NASA field centers, Employing more than 2,000 personnel and comprised in more than 140 buildings, Lewis is one of NASA's larger research facilities and has, since its groundbreaking in 1941, been invested with some $480 million. Lewis has developed an international reputation for its research on jet propulsion systems and under the current directorship of Donald Campbell, research and development of new propulsion power is continuing to flourish.

NASA has designated Lewis as its No. 1 center for aeropropulsion. Its pioneering work in developing and verifying aeropropulsion technology has benefited the Nation directly, through the results and data which it has complied and also through the transfer of this knowledge to U.S. industry. Indirectly, such advances have significantly contributed to the promotion of economic growth and national security through safe and superior U.S. aircraft propulsion systems.

Lewis is also NASA's Center of Excellence in Turbomachinery. It has developed innovative technology and made use of its analytical and experimental expertise to enhance future aerospace technology. Lewis' other roles and missions include aeronautics research, onboard space applications and commercial communications.

The following Congressional Research Service report, ''NASA Lewis Research Center: Part 2,'' outlines the functions, history, and current roles and missions of the center:

NASA LEWIS RESEARCH CENTER: PART 2

INTRODUCTION

This report examines the National Aeronautics and Space Administration's (NASA's) Lewis Research Center (LeRC).[1] Changes at the center during the 1990s are examined as well as how NASA's announced plans compare with Lewis' current roles and missions.

Whenever the closing of any of NASA's centers is discussed within the space community, some mention Lewis as a likely candidate. This report finds that although Lewis has been downsized at a greater rate in the 1990s than most of NASA's centers, it does not appear to be in danger of being closed in the near-term if currently planned budgets are funded. As currently envisioned, Lewis is expected to have a significant role in NASA's future in fulfilling the goals set forth in the agency's strategic plan through 2025 and beyond.

LOCATION

The center is located 20 miles southwest of Cleveland, Ohio, occupying 350 acres of land adjacent to Cleveland Hopkins International Airport. Lewis comprises more than 140 buildings that include 24 major facilities and over 500 specialized research and test facilities. Additional facilities are located at Plum Brook Station, a 6,400-acre facility about 50 miles west of Cleveland and 3 miles south of Sandusky, Ohio. The center currently has approximately 2,150 employees and on-site contractors totaling approximately 1,600.[2] Since its initial groundbreaking in 1941, more than $480 million has been invested in the center's capital plant. According to the center, its currently estimated replacement cost is approximately $1.3 billion.

The Director of LeRC is Donald J. Campbell and the Deputy Director is Martin P. Kress. Julian M. Earls is the Deputy Director for Operations.

HISTORY

Lewis was established in 1941 by the National Advisory Committee for Aeronautics (NACA). At that time it was known as the Aircraft Engine Research Laboratory. It was one of three NACA centers nationwide.[3] Named for George W. Lewis, NACA's Director of Research from 1924 to 1947, the center developed an international reputation for its research on jet propulsion systems. The three NACA Centers became the nucleus of NASA when it was created in October 1958.

CURRENT ROLES AND MISSIONS

The work of Lewis is directed toward research and development of new propulsion, power, and communications technologies for application to aeronautics and space. Microgravity research in fluids and combustion also is a main area of focus. The end product of Lewis' work is knowledge, usually in the form of a report, that is made fully available to potential users—the aircraft engine industry, the energy industry, the automotive industry, the space industry, other NASA centers, and other federal government organizations.

NASA has designated Lewis as its Lead Center for Aeropropulsion. The center's role is to develop, verify, and transfer aeropropulsion technologies to U.S. industry. The center's aeropropulsion program plays a significant role in the agency's goals to promote economic growth and national security through safe, superior, and environmentally compatible U.S. civil and military aircraft propulsion systems. The agency's major efforts are in subsonic, supersonic, hypersonic, general aviation, and high-performance aircraft propulsion systems, as well as in materials, structures, internal fluid mechanics, instrumentation and controls, interdisciplinary technologies, and aircraft icing research.

Lewis has also been designated NASA's Center of Excellence in Turbomachinery. It develops innovative technology and leverages its computational, analytical, and experimental expertise in turbomachinery to enhance future aerospace programs. The goal is to attain improvements in reliability, performance, and efficiency; increases in affordability, capacity, safety, and environmental capability; and reductions in design cycle time and development costs. Areas of focus include air-breathing propulsion and power systems, primary and auxiliary propulsion and power systems, on-board propulsion systems, and rotating machinery for the pumping of fuels. Related technologies include fans, compressors, turbines, pumps, combustors, bearings, seals, gears, inlets, nozzles, sensors, and actuators. Related disciplines include materials, structures, lubrication, acoustics, heat transfer, computational fluid dynamics, combustion, cryogenics, icing, and controls.

Lewis' roles and missions include: Managing a broad array of aeronautics research and technology propulsion activities including propulsion support technology and propulsion systems analysis; space applications involving power and on-board propulsion; commercial communications; managing intermediate and large payload launch vehicles; and microgravity research in the disciplines of combustion science, fluids physics, and ground-based research.

Lewis is a major contributor to many NASA-wide programs. These programs include: NASA's High Speed Research program in the areas of combustor design and enabling propulsion materials; the Advanced Communications Technology Satellite (ACTS) effort; microgravity research on board the Space Shuttle in addition to its historical contributions to the program; the development of the Lewis-designed Electrical Power System for the International Space Station (ISS). Lewis will also be a major contributor to the microgravity science aboard the ISS including the development of the Fluids and Combustion Facility; U.S.-Russian cooperative programs such as the Mir Cooperative Solar Array and providing microgravity science experiments; and the Mars Pathfinder mission.

FOOTNOTES

[1] Lewis is one of 10 NASA field centers. The other nine field centers are Ames Research Center (ARC) in California, Dryden Flight Research Center (DFRC) in California, Goddard Space Flight Center (GSFC) in Maryland, the Jet Propulsion Laboratory in California, the Johnson Space Center (JSC) in Texas, the Langley Research Center (LaRC) in Virginia, the Marshall Space Flight Center (MSFC) in Alabama, and the John C. Stennis Space Center (SSC) in Mississippi. Except for JPL, which is a federally funded research and development center (FFRDC) run by the California Institute of Technology, all these centers are federally owned and operated facilities.

[2] Employee levels are as of March 1997.

[3] Ames Research Center in California and Langley Research Center in Virginia were the other two.

IN RECOGNITION OF DR. RICHARD L. LESHER, RETIRING PRESIDENT OF U.S. CHAMBER OF COMMERCE

HON. SUE W. KELLY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1997

Mrs. KELLY. Mr. Speaker, on Monday, February 24, Dr. Richard L. Lesher, the president of the U.S. Chamber of Commerce, announced his retirement. So, I rise today to recognize Dr. Lesher, an individual who in his 22-year tenure at the helm of the U.S. Chamber of Commerce has displayed a singular dedication to nurturing entrepreneurship and championing the cause of America's small businesspeople.

With his steady leadership, Dr. Lesher has left a lasting legacy for our Nation's business community. Since he assumed the leadership of the chamber, the organization has grown by leaps and bounds. Today, the chamber's membership includes 215,000 members, 3,000 State and local chambers, and 1,200 trade and professional associations. Additionally, the chamber represents 72 American chambers of commerce abroad in 65 nations.

Programmatically, Dr. Lesher was responsible for establishing the National Litigation Law Center that has successfully represented business interests in Federal court. He was also instrumental in developing the Quality Learning Services Program of the Federation Programs and Services Division of the U.S. Chamber of Commerce. This program is dedicated to delivering management seminars and continuing professional education throughout the United States.

Dr. Lesher has been effective in generating new membership and creating new programs for the U.S. Chamber of Commerce because of his success at making the chamber a more active part of American politics and business. He has energetically promoted the chamber's Grassroots Action Information Network [GAIN] that is dedicated to amplifying the voices of chamber members. He also created the ''How They Voted' program, which ranks the voting records of Members of Congress on the basis of their stands on small business issues. Additionally under his watch, the U.S. Chamber of Commerce also launched BizNet—the American Business Network—featuring the shows ''First Business'' and ''It's Your Business.'

Lesher, whose two decades as president of the U.S. Chamber of Commerce have shown him to be an individual dedicated to promoting small business, individual initiative, and effective grassroots political action. Dr. Lesher's advoacy has had but one end—preserving the United States as a land of opportunity. I applaud Dr. Lesher's fruitful career, and I wish him continued success in all his future endeavors.

IN HONOR OF HERMAN FEHL'S RETIREMENT

HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1997

Mr. FARR of California. Mr. Speaker, I rise today to honor a man who has spent the last 19 years as a devoted public servant of San Benito County. Mr. Herman Fehl has been recognized as a community leader and visionary in both the job training and community action arenas. It is my privilege to be speaking of this man's countless accomplishments today.

In 1978, Mr. Fehl began his public service as the director of San Benito's Comprehensive Employment Training Act program, which over time evolved into the Federal Job Training Partnership Act program. Three years later, Mr. Fehl, in conjunction with several members of the San Benito board of supervisors, successfully established the county as a Community Action Agency [CAA]. This led to Federal community services block grant funding for San Benito County.

In addition to forming the community action agency, in 1984 Mr. Fehl joined together with several community members to form the San Benito County Community Services Development Corporation [CSDC]. This nonprofit corporation is dedicated to helping low-income families become self-sufficient. Mr. Fehl watched the CSDC's assets grow from $30,000 to over $6,000,000. Under his able leadership, CSDC developed the San Benito Business and Industry Park, which includes the Community Services Building. This is an award-winning one stop Social Services Center.

The newly reorganized Department of Community and Workforce Development is now recognized as the primary provider of comprehensive social services for the low-income community. Due to Mr. Fehl's excellent direction, the Department budget has grown to over $3,000,000. Its extensive range of services include rental housing assistance, a homeless shelter, utility assistance, emergency food, and first-time homebuyers mortgage assistance, in addition to plans for on-site child care for job training clients.

If a measure of success is recognition from your peers, Herman Fehl's many contributions to the residents of San Benito have been generously acknowledged: Citizen of the Year 1988 for San Benito County; the 1990 League of United Latin American Citizens award for his devoted service to the Hispanic community in San Benito County; and Disaster Relief Coordinator for his heroic leadership during the 1989 Loma Prieta earthquake.

Mr. Speaker, please join me saluting an outstanding public servant who has given so much to his community as both a leader and as a citizen. The residents of San Benito County will sorely miss Herman Fehl's commitment to its citizenry but joins me in extending him a well-deserved retirement.

CONGRATULATIONS TO FARMLAND INDUSTRIES' AG–21

HON. BILL BARRETT

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1997

Mr. BARRETT of Nebraska. Mr. Speaker, I'd like to bring my colleagues' attention to a model pollution prevention program and to recognize several Nebraska farmers and their cooperatives for their achievements.

On June 3, 1997, the Environmental Protection Agency [EPA] awarded one of eight 1997 Pollution Prevention Award to Farmland Industries' AG–21 program for successfully implementing pollution prevention measures in agricultural production. Farmland was the only agribusiness firm to receive the award this year. An interdepartmental committee within EPA's Region 7 evaluated nearly 30 applications for their innovative approaches, techniques, and use of technology in meeting pollution prevention goals.

AG–21 is an innovative crop production process developed by the Farmland cooperative to raise the agronomic, environmental, and managerial standard for its cooperatives across North America. The program is a partnership between local cooperatives, their farmer members, and Farmland Industries. Each brings their unique skills and experience to the project, including support services, cutting-edge technology, and experience with environmentally sound management practices. The program's goal is to use the best crop production techniques and the latest technology to maximize crop potential in an environmentally friendly manner.

I'm proud to be able to share this news with my colleagues. AG–21 is a unique program with enormous potential. For farmers and all Americans, AG–21 will improve crop yields and quality, sustainability of crop production, and economic yields. Also, it will increase conservation of soil and water, protection of the environment, and protection of human health.

This is the future of environmental protection—it's not government regulation, but individuals working with their communities and businesses to protect the environment while feeding a hungry world. Congratulations to Farmland, its cooperatives, and my producers. Keep up the good work!

TAX RELIEF HELPS AMERICA'S WOMEN

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1997

Mr. PACKARD. Mr. Speaker, I rise today in proud support of the historic budget agreement this Congress reached with the President earlier this week. For the first time in 16 years, the American people will receive a major tax cut.

What makes this plan so effective, Mr. Speaker, is that it reaches so many different groups of people across our Nation. I am especially pleased by what this tax cut means to America's women.

Our budget agreement is a direct result of Republican efforts to provide for America's families and that begins with helping America's mothers. the $500-per-child tax credit goes straight to the heart of every family. The mothers of 41 million children will be keeping more of their own money. That means much more for school clothes, groceries, and savings for college tuition.

Mr. Speaker, we did not stop there. Our plan also helps those women who are successful entrepreneurs and business owners. With women now starting businesses at twice the rate of men, a cut in the capital gains tax will help them the most. Republicans want to ensure that those women who are now contributing to our economy as employers and investors continue to do so. But tax cuts not only help those women who already own small businesses, they help open doors for those who wish they could.

We have also reduced estate or death taxes and expanded individual retirement accounts. Because women generally live longer, we need to make it easier for women to save and to inherit family businesses. Republicans are ensuring that women of all ages can remain financially secure, even after the death of a husband.

Mr. Speaker, I am proud that our plan to provide tax relief especially helps America's women. The truth is, cutting taxes helps everyone and everyone will benefit from this historic budget agreement.

MUHLENBERG SESQUICENTENNIAL REMARKS

HON. PAUL McHALE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1997

Mr. MCHALE Mr. Speaker, this morning I rise to pay tribute to a distinguished liberal arts college in my district which opened its doors in 1848 as a military institution. I am honored and proud to announce today that during the coming academic year the college will celebrate its 150th anniversary. That college is Muhlenberg College in Allentown, PA.

As I stand here in the House Chamber talking about Muhlenberg College, I can almost feel the presence of the Muhlenberg family. The first Speaker of this House was Frederick Augustus Conrad Muhlenberg, the son of Henry Melchior Muhlenberg, the founder of the Lutheran Church in America for whom this college is named. His brother John Peter Gabriel and several of their great-grandchildren also served here. In all, six Muhlenbergs served as Members of the U.S. Congress. Likenesses of these great German-Americans can be found on campus as reminders of the college's historic ties to the Lutheran Church and to a young America.

Muhlenberg values its Judeo-Christian traditions which have shaped the liberal arts curriculum offered to its students. The college's mission is to develop students who ''will achieve responsible independence and display full respect for the freedom and diversity which characterize human beings.'' In the mutual pursuit of this mission, the members of the board of trustees, faculty, and administration remain firmly committed to the belief that a ''liberal arts education is the most humanly satisfying and pragmatically viable.'' Students are reminded often that learning is done in a variety of settings with small classes, limited enrollment, a strong student-faculty relationship and a high degree of student involvement in the life and governance of the college. Muhlenberg students graduate not only with a degree, but a deeper understanding of life.

Influencing the ongoing success of Muhlenberg College and its students in president Arthur R. Taylor. In his inauguration address in 1992, this former president of CBS quoted John Henry Newman, who said many hundreds of years ago, ''The purpose of all education is to find a life, not just a livelihood.'' As the most passionate champion for this small, independent college, he has set the course saying, ''Let us be known in the future, as we have in the past, by the quality of the students we graduate * * * let us be known for those who will tackle the problems of the environment, disease and hunger, poverty and homelessness * * * known for those who will rebuild America * * * known for those who support society's causes.''

President Taylor, together with the faculty and administration, has built a global reputation. Each year more and more applications are received from prospective students with over one-third of the accepted students ranking in the top 10th of their high school class. Students study abroad, they learn foreign languages, they prepare for business in the global marketplace. The quality of the Muhlenberg academic experience has been recognized by Phi Beta Kappa and 13 other national honor societies with chapters at the college.

Mr. Speaker, I take great pride in holding an honorary doctor of laws degree from this noble college. I leave you with president Taylor's own words: 'Please understand that this old college, this old clipper ship, regardless of what storm may come, will sail on, top royals flying and gallants set.'' I know you will join me in applauding Muhlenberg College's 150th anniversary and saluting her next 150 years.

CELEBRATING THE 175TH ANNIVERSARY OF CHRIST EPISCOPAL CHURCH

HON. SONNY CALLAHAN

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1997

Mr. CALLAHAN. Mr. Speaker, it is my pleasure to rise today to recognize Christ Episcopal Church, Alabama's oldest Protestant church, which this year is celebrating its 175th anniversary serving the people of God.

Located in the historic district in downtown Mobile, Christ Episcopal stands at its original construction site of 1822. Like the rest of Mobile, the church, too, has grown and changed over the years, constantly striving to meet the needs of its parishioners.

Originally Protestants from several different denominations came together at this site to worship as well as to serve the community. However, on February 26, 1828, a group met to establish and organize the Protestant Episcopal congregation. It was at this time that the church gained the name Christ Church and the cornerstone was laid for the present sanctuary in 1835.

Over the past 175 years, Christ Episcopal Church has continued to grow and prosper. During this time, it has withstood the winds of hurricanes, the pain of yellow fever, the heat from fires, and the rage of war, and in so doing, Christ Episcopal has truly become a landmark, not just in Mobile, but throughout Alabama.

Mr. Speaker, Christ Episcopal Church officially celebrates its 175th anniversary on Sunday, September 7, 1997. At this time, I wish to commend its parishioners and members for their hard work, dedication, and love of God, and extend to them my very best wishes for much continued success in the years to come.

TRIBUTE TO FOREIGN LANGUAGES IN SCHOOLS

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1997

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, I would like to take this opportunity to share some essays written by Colorado students regarding the educational benefits of learning different languages from around the world. Education is key to the continued success of this great Nation, and it is good to know that these students realize this crucial factor.

MATTHEW WEBER, SHEPHERD OF THE HILLS CHRISTIAN SCHOOL, GRADE 2

I think that kids should learn different languages, because when they grow up, their job might be going around the world and they probably won't know the language for the place they are in if they don't learn when they are small, so that's one of my thoughts. The other thought is that kids have fun learning different languages.

Here's another example, on Sunday a lady from Germany will visit me and I will want to know German to talk to her. Here's another example, I need to know more Spanish to talk to my foreign language teacher.

MALGOSIA WILCZKIEWICZ, BRECKENRIDGE ELEMENTARY, 5TH GRADE

Languages around the world are important. Knowing another language can help other people that come from other places and don't speak your language. I came from Poland four years ago and didn't speak any English. Luckily there was a Polish boy that spoke Polish and could communicate to me and help me with my work. Other reasons that it is important to speak another language are because if you want to be an attendant and get trips to other countries; you need to be able to communicate with people. You need to talk to people to see what they need or want. If you want to be a translator for the President or someone else you need to know other languages to translate. These are just some reasons why other languages are important to me, but there are a lot more.

DANIEL MC VICKER, COLORADO ACADEMY, 11TH GRADE

I am an eleventh-grade student at Colorado Academy, and I am concerned with the increased budget cuts in foreign language programs of our public schools. Even though I am not currently a public school student, I am concerned that, due to the changing nature of social and business interaction in the twenty-first century, our public schools will not be competitive enough in the ''global village.'' Due to the Internet, more people are communicating faster and more easily and more cheaply with one another. Even now, we can see the progression of business on the ''net.'' As other countries become more advanced with their technology the web will cease to be a solely English speaking dominated entity and become more like what its name implies: ''World Wide.'' Students without a firm foundation in a language (or two) could easily become lost in the many business opportunities available on this revolutionary communications network, and lose out to other countries' students where part of the curriculum is the study of another language.

On a more personal note, my experience with learning French (and previous to my time at Colorado Academy, German) has been both pleasurable and helpful. Due to my exposure to both languages, my English vocabulary has been enriched, my knowledge of syntax and proper grammar has increased, and my knowledge of history has grown as well. Also, the knowledge of these two languages has been helpful in dealing with the cultures of the countries that speak those languages, in my visits to France and Germany. With an enhanced knowledge of the culture (thanks to my classes), I was more easily able to interact with the natives, utilizing another benefit of studying a foreign language.

Being knowledgeable of another country's culture is another reason to study a foreign language. In this time of ''Global Economy,'' not knowing about the idiosyncrasies of another culture can be business suicide. Even with a translator, one can still do things with the body that can be considered very insulting to a foreign culture. If the person who accidentally does these things is trying to negotiate a business deal, he will have a lot of explaining to do if he has insulted those with whom he is trying to negotiate.

As to the pure enjoyment of discovering another language, to that as well, I can attest. It is fun and exciting to realize that you could communicate with someone across the globe, or even just across the room. In our modern times, expression is power and with the knowledge of another language, one has twice as much of that power.

Thank you for your time.**P***Mr. er, these are the words of the future of America. School children are able to recognize the value of knowledge and realize the power of having an advantage in the real world. Foreign languages open up a world of opportunities, and these children recognize that. I thank the Speaker for allowing me to share the experiences of the youth of America and the value of education.

PATIENT ACCESS TO METERED DOSE INHALERS MUST BE PRESERVED

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1997

Mr. SMITH of New Jersey. Mr. Speaker, today the House Subcommittee on Health and Environment conducted an important hearing on the issues surrounding the Montreal Protocol of 1987, which bans the use of ozone depleting substances.

As many of my colleagues know, the Food and Drug Administration [FDA] recently unveiled a proposal to eliminate essential-use exemptions for metered dose inhalers [MDI's]. Mr. CLIFF STEARNS, my good friend from Florida, and I have introduced legislation [H.R. 2221] aimed at helping those suffering from respiratory conditions, particularly children with asthma and cystic fibrosis [CF], preserve their access to medicines they rely upon to breathe—metered dose inhalers.

H.R. 2221 requires the FDA and the Environmental Protection Agency [EPA] to delay their plans to remove chlorofluorocarbon-based MDI's from the marketplace before 2005. If Congress allows the FDA's ill-advised plan banning CFC MDI's to take effect, the 30 million Americans suffering from respiratory diseases could be placed at risk.

When the symptoms of these diseases strike, patients reach for the safe, effective, and proven medication delivery systems that have kept them alive for years—metered dose inhalers. Quite literally, metered dose inhalers are a matter of life and breath.

Currently, all metered dose inhalers, save one, are powered by chlorofluorocarbon [CFC] propellants. Under the 1987 Montreal Protocol, as amended, CFC's are to be phased-out globally because of the possible negative impact on the ozone layer. It is important to point out, however, that the signatories to the Montreal Protocol explicitly recognized that certain uses of CFC's generate tremendous health and safety benefits. Consequently, MDI's were given a temporary essential-use exemption from the treaty.

Despite this global exemption, the U.S. FDA has unilaterally decided to accelerate the phase-out of CFC-containing metered dose inhalers. Under the FDA's proposed framework, CFC-containing inhalers—used safely and regularly by millions of asthmatic children, adults, and senior citizens—would be banned and consumers would be forced to purchase alternative products, even if there was but a single alternative on the market.

Indeed, as of today, only one company has received FDA approval to manufacture non-CFC MDI's. Although pharmaceutical companies are currently developing CFC-free MDI's, the FDA proposal will force patients to abandon their existing medications and create a de facto monopoly in the substantial MDI market. Respiratory patients will lose the benefits of free-market competition, and the less well-off will be unfairly burdened with higher prices.

While adults may not notice the different taste, smell, or sensation of a CFC-free inhaler, an 8 year-old child might be reluctant to use his or her new MDI because it tastes funny. I have four children, and both of my daughters, Melissa and Elyse, have asthma. Like everybody else, people have different tastes and preferences. Any parent with children knows that it can be difficult to get them to take a medication perceived to be unpleasant. That is why there are dozens of flavors of cough syrups and cold medicines in the pharmacy.

But there is a big difference between cough syrup and MDI's—the failure to properly use an MDI can kill you. Mr. Speaker, it is a well known fact that asthma is currently the number one reason for children's school absences, and that roughly 5,000 Americans die each year from asthma-related complications. Furthermore, for millions of asthma sufferers, the single most important part of successful treatment is maintaining a steady medication routine. Disrupting this routine, which is a certain byproduct of FDA's proposal, will needlessly put the lives and health of our children and senior citizens at risk. That is why the one-size-fits-all policy FDA is pursuing is counter-productive.

In addition, the amount of CFC's used in metered dose inhalers is so small—less than 0.025 kg per inhaler—that the marginal environmental improvement in the ozone layer that would result from the FDA plan would be virtually undetectable. Indeed, MDI's are responsible for less than 1 percent of the risk to the ozone layer as measured by atmospheric chlorine levels.

Equally perplexing about FDA's proposal is that asthma patients in the United States will have their dependable and effective medications taken away from them while consumers in China and Indonesia continue to use CFC's in hair spray and cosmetics until 2010.

There is no doubt that pharmaceutical companies should be encouraged to develop, test, and bring alternative products to market before 2005. However, it is terribly shortsighted to pull the plug on CFC-containing MDI's before there is a free market in tested, proven, and accepted alternative products.

Mr. Speaker, I believe there is an alternative approach for the FDA to follow: allow the existing products to be used until 2005, and encourage the development and use of alternative [CFC-free] metered dose inhalers so that asthma patients can gradually become accustomed to the different medications without undue disruptions and risks. Rather than forcing patients to suddenly switch medications and involuntarily, a more sensible approach would allow environmentally safe products to flourish and attain widespread acceptance.

I call upon my colleagues on both sides of the aisle to reject the FDA's cold-turkey policy—Australia has already rejected that strategy, and they have the highest rate of skin cancer anywhere in the world. If the Australians—who have the most to lose from the destruction of the ozone layer—find the FDA's model objectionable, surely the United States can achieve its goal of zeroing out CFC production in 2005 without the heavy-handed, one-size-fits-all approach that the FDA has proposed. The children and senior citizens who depend on metered dose inhalers to breathe and live normal lives deserve better.

GRAZING'S ENVIRONMENTAL BENEFITS

HON. JOE SKEEN

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1997

Mr. SKEEN. Mr. Speaker, today, I rise to discuss the benefits of grazing for our environment. I call particular attention to an excellent article published in yesterday's Washington Post, July 29, 1997, which was written by Tom Kenworthy.

I commend this article for readership by each of my colleagues in the House of Representatives because it points out, in a national media publication, the benefits to all Americans of the important practice of responsible grazing.

I ask unanimous consent to include Mr. Kenworthy's article in the RECORD.

[From the Washington Post, July 29, 1997]

SHEEP COME TO THE RESCUE IN THE WEST; GRAZING HELPS RESTORE WEED-INFESTED LANDS

(By Tom Kenworthy)

BUFORD, COLO.—The hills sloping down toward Lake Avery in the Oak Ridge State Wildlife Area outside this northwest Colorado hamlet are lushly carpeted this summer with western wheat grass, Idaho fescue and other native grasses.

These hillsides, which provide critically needed winter range for elk and deer, were not always so healthy. Just a few years ago, they were awash in leafy spurge, a noxious weed that made its way to America from Europe and has no natural predators on this side of the Atlantic. Leafy spurge has now infested more than 3 million acres in the West—part of a broad invasion of western range land by nonnative weed species that is alarming land managers throughout the region and costing livestock producers tens of millions of dollars annually.

Isolated patches of spurge can still be found above Lake Avery. But by using sheep to intensively graze the infested portions of the 14,000-acre wildlife area in early summer, state officials have turned the tide against a stubborn, aggressive weed that sends roots 20 feet below the surface, can render pasture land nearly useless for cattle and horses and can devalue ranches to virtual worthlessness.

''We've contained it, and I believe we can eradicate it,'' said Bob Griffin, a wildlife property technician with the state agency that manages Oak Ridge.

The victory at the Oak Ridge Wildlife Area is being repeated elsewhere in the West as ranchers and land managers discover they can use sheep, and in some cases goats, to control spurge and some other noxious plant invaders. Unlike cattle, which become ill if they ear spurge, sheep will, with a little encouragement, graze happily on it and thrive on its 20 percent protein content.

In a region where sheep are still reviled by cattlemen as despoilers of the public range and competitors for precious forage, there is considerable irony in the use of sheep to reclaim land for cattle.

''Some of these cow outfits wouldn't have sheep on them no matter what,'' observed sheep rancher John Paugh of Bozeman, Mont. ''But there's a market because there is no other economically sound way to control spurge. When you get large acreages of it, there is no other way available.''

Paugh, who runs about 2,200 lambs and ewes on spurge-infested range land near the Shields River in southwest Montana, said it is a good deal for him and for the cattle ranchers who rent him the land. He feeds his sheep for about half what it would cost to rent grass pasture, and his sheep are able to control the spurge for about one-third the $25 an acre cost of using herbicides.

For sheep ranchers, an economically beleaguered fraternity whose ranks have declined by 17 percent since 1993 because of pressure from cheaper imports, the loss of federal wool subsidies and other factors, a difference of a few cents per acre of forage can be critical.

Although both wool and lamb prices have rebounded recently, the 1990s have been tough for America's sheep producers, according to Peter Orwick, executive director of the American Sheep Industry Association. Average wool prices, which hit $1.40 per pound in the 1980s, went as low as 51 cents a pound three years ago, he said. And between 1991 and 1994, lamb meat sold for 50 cents a pound or less, compared with $1.50 today.

''On the lamb side, the biggest factor we face is imports,'' Orwick said. ''Imports have gone from 7 percent of consumption in 1993 to over 20 percent today.''

Pat Sturgeon, 57, a second-generation sheep rancher who for the past half-dozen years has contracted with the state of Colorado to graze his 900 head on the Oak Ridge Wildlife Area from last May to early July, has his own sheep-ranching economics index.

''In 1970 I could buy a new pickup with 100 lambs,'' Sturgeon said as he showed off his flock to a visitor. ''Now it takes 250 lambs. We don't drive new pickups anymore.''

Being able to graze sheep relatively cheaply on state land for 45 days early in the season before federal grazing allotments open up ''gives us an advantage,'' Sturgeon said. Under his contract with the state, he pays about $2 a month per head for grazing the wildlife area. That is several times higher than his cost later in the summer to graze on federal land, but it is still cheaper than what he would pay for private land.

''I need pasture in the spring,'' he said. ''It lines me up to get on my national forest permit later.''

Just how much of a dent sheep and goats can make in the leafy spurge problem is subject to considerable debate.

George Beck, a professor of weed science at Colorado State University who has been experimenting with sheep, both alone and in tandem with flea beetles on test plots outside Denver, said they are effective against spurge but not a silver bullet.

''It's not the answer, because spurge is such a troublesome plant,'' he said. ''You'll never get perfect control, but they are a valuable part of it.''

Don Smurthwaite, a Bureau of Land Management official in Boise, Idaho, is more enthusiastic. The federal agency this year imported 240 Angora goats from the Navajo Indian reservation in Arizona to help control spurge on 2,000 acres near Pocatello, and Smurthwaite said the experiment has ''exceeded our wildest expectations.''

Daily Digest

HIGHLIGHTS

Senate agreed to Budget Reconciliation and Revenue Reconciliation Conference Reports.

House agreed to the Conference report on H.R. 2014, the Taxpayer Relief Act of 1997. (H. Rept. 105–220)

House Committee ordered reported the Treasury, Postal Service, and General Government appropriations for fiscal year 1998.

Senate

Chamber Action

Routine Proceedings, pages S8385–S8463

Measures Introduced: Forty-five bills and nine resolutions were introduced, as follows: S. 1094–1138, S. Res. 111–116, and S. Con. Res. 47–49. **(See next issue.)**

Measures Reported: Reports were made as follows:

S. 399, to amend the Morris K. Udall Scholarship and Excellence in National Environmental and Native American Public Policy Act of 1992 to establish the United States Institute for Environmental Conflict Resolution to conduct environmental conflict resolution and training, with an amendment in the nature of a substitute. (S. Rept. No. 105–60)

S. 414, to amend the Shipping Act of 1984 to encourage competition in international shipping and growth of United States imports and exports, with an amendment in the nature of a substitute. (S. Rept. No. 105–61)

S. Res. 110, A bill to permit an individual with a disability with access to the Senate floor to bring necessary supporting aids and services. **(See next issue.)**

Measures Passed:

Oklahoma City National Memorial: Senate passed S. 871, to establish the Oklahoma City National Memorial as a unit of the National Park System; to designate the Oklahoma City Memorial Trust. **Pages S8410–15**

Congressional Adjournment: Senate agreed to H. Con. Res. 136, providing for an adjournment of the House of Representatives and the Senate. **(See next issue.)**

Waiving Enrollment Requirements: Senate passed H.J. Res. 90, waiving certain enrollment requirements with respect to two specified bills of the One Hundred Fifth Congress, clearing the measure for the President. **(See next issue.)**

Enrollment Correction: Senate agreed to H. Con. Res. 138, to correct technical errors in the enrollment of the bill H.R. 2014. **(See next issue.)**

Kennedy Center Parking Improvement Act: Senate passed S. 797, to amend the John F. Kennedy Center Act to authorize the design and construction of additions to the parking garage and certain site improvements, after agreeing to the following amendments proposed thereto: **(See next issue.)**

Domenici (for Chafee) Amendment No. 1048, of a technical nature. **(See next issue.)**

Domenici/Bingaman Amendment No. 1049, to provide for the design, construction, furnishing, and equipping of a Center for Performing Arts within the complex known as the New Mexico Hispanic Cultural Center. **(See next issue.)**

Domenici (for Graham/Mack) Amendment No. 1050, to provide for the design, construction, furnishing and equipping of a Center for Historically Black Heritage within Florida A&M University. **(See next issue.)**

Domenici (for Chafee) Amendment No. 1051, to provide for the relocation and expansion of the Haffenreffer Museum of Anthropology at Brown University in Providence, Rhode Island. **(See next issue.)**

Domenici (for Chafee) Amendment No. 1052, to provide for a grant to Juniata College for the construction of environmental research facilities and structures at Raystown Lake, Pennsylvania. **(See next issue.)**

Domenici (for Baucus) Amendment No. 1053, to provide for the design, construction, furnishing, and equipping of an historical, cultural and paleontological interpretive center and museum to be located at Fort Peck Dam, Montana. **(See next issue.)**

President Pro Tempore Consultant: Senate passed S. 1120, to provide for a consultant for the President pro tempore. **(See next issue.)**

Earthquake Hazards Reduction Act Authorization: Senate passed S. 910, to authorize appropriations for carrying out the Earthquake Hazards Reduction Act of 1977 for fiscal years 1998 and 1999, after agreeing to a committee amendment in the nature of a substitute, and the following amendment proposed thereto: **(See next issue.)**

Warner (for Frist) Amendment No. 1054, to increase the authorization for the United States Geological Survey for 1998 and 1999. **(See next issue.)**

Grants Pass, Oregon Land Conveyance: Senate passed H.R. 1198, to direct the Secretary of the Interior to convey certain land to the City of Grants Pass, Oregon, clearing the measure for the President. **(See next issue.)**

Oregon Land Exchange: Senate passed H.R. 1944, to provide for a land exchange involving the Warner Canyon Ski Area and other land in the State of Oregon, clearing the measure for the President. **(See next issue.)**

Senate Floor Disability Access: Senate agreed to S. Res. 110, to permit an individual with a disability with access to the Senate floor to bring necessary supporting aids and services. **(See next issue.)**

Private Relief: Senate passed H.R. 584, for the relief of John Wesley Davis, clearing the measure for the President. **(See next issue.)**

Indian Independence Day: Committee on the Judiciary was discharged from further consideration of S. Res. 102, designating August 15, 1997, as ''Indian Independence Day: A National Day of Celebration of Indian and American Democracy,'' and the resolution was then agreed to. **(See next issue.)**

U.S. District Courts Authorization: Committee on the Judiciary was discharged from further consideration of S. 996, to provide for the authorization of appropriations in each fiscal year for arbitration in United States district courts, and the bill was then passed, after agreeing to the following amendment proposed thereto: **(See next issue.)**

Warner (for Biden) Amendment No. 1055, to provide for the reauthorization of report requirements to enhance judicial information dissemination. **(See next issue.)**

Budget Reconciliation Conference Report: By 85 yeas to 15 nays (Vote No. 209), Senate agreed to the conference report on H.R. 2015, to provide for reconciliation pursuant to subsections (b)(1) and (c) of section 105 of the concurrent resolution on the budget for fiscal year 1998. **Pages S8386–S8410**

Revenue Reconciliation—Conference Report: By 92 yeas to 8 nays (Vote No. 211), Senate agreed to the conference report on H.R. 2014, to provide for reconciliation pursuant to subsections (b)(2) and (d) of section 105 of the concurrent resolution on the budget for fiscal year 1998. **Pages S8410, S8415 (continued next issue)**

During consideration of this measure today, Senate also took the following action:

By 78 yeas to 22 nays (Vote No. 210), three-fifths of those Senators duly chosen and sworn having voted in the affirmative, Senate agreed to waive points of order against the Congressional Budget Act with respect to consideration of the conference report. Subsequently, a point of order that section 1604(f)(3) of the bill violates section 313(b)(1)(A) of the Congressional Budget Act was not sustained, and the point of order thus fell. **Pages S8450–51**

Agriculture Appropriations—Agreement: A unanimous-consent time-agreement was reached providing for the consideration of H.R. 2160, making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1998, on Tuesday, September 2, 1997, with one amendment to be proposed thereto. **(See next issue.)**

A further consent agreement was reached providing that on Wednesday, September 3, 1997, prior to third reading of the bill, all after the enacting clause be stricken and the text of S. 1033, Senate companion measure, as passed by the Senate on July 24, 1997, be inserted in lieu thereof, the bill be read the third time and agreed to, the Senate insist on its amendment, request a conference with the House thereon, and the Chair be authorized to appoint conferees on the part of the Senate. **(See next issue.)**

Labor/HHS Appropriations—Agreement: A unanimous-consent agreement was reached providing for the consideration of S. 1061, making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1998, on Tuesday, September 2, 1997. **(See next issue.)**

Authority for Committees: All committees were authorized to file executive and legislative reports during the adjournment of the Senate on Tuesday, August 19, 1997, from 11 a.m. to 2 p.m. **(See next issue.)**

Removal of Injunction of Secrecy: The injunction of secrecy was removed from the following treaties:

Extradition Treaty with Barbados (Treaty Doc. 105–20); and

Extradition Treaty with Trinidad and Tobago (Treaty Doc. 105–21).

The treaties were transmitted to the Senate today, considered as having been read for the first time, and referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed. **(See next issue.)**

Appointments:

Global Climate Change Observer Group: Pursuant to the provisions of S. Res. 98, agreed to on July 25, 1997, the following Senators were appointed to the Global Climate Change Observer Group: Senators Hagel, Chairman, Abraham, Chafee, Craig, Murkowski, Roberts, Byrd, Co-Chairman, Baucus, Bingaman, Kerry, Levin, and Lieberman. **(See next issue.)**

Commission on Security and Cooperation in Europe: The Chair, on behalf of the Vice President, pursuant to Public Law 94–304, as amended by Public Law 99–7, appointed the following Senators to the Commission on Security and Cooperation in Europe: Senators Feingold, Graham, Lautenberg, and Reid. **(See next issue.)**

Messages from the President: Senate received the following messages from the President of the United States:

A communication from the President of the United States, transmitting, a report of the notice of the continuation of Iraqi emergency; referred to the Committee on Banking, Housing and Urban Affairs. (PM–58). **(See next issue.)**

A communication from the President of the United States, transmitting, a report concerning the national emergency with respect to Iraq; referred to the Committee on Banking, Housing and Urban Affairs. (PM–59). **(See next issue.)**

Nominations Confirmed: Senate confirmed the following nominations:

Eric L. Clay, of Michigan, to be United States Circuit Judge for the Sixth Circuit.

Arthur Gajarsa, of Maryland, to be United States Circuit Judge for the Federal Circuit.

Thomas W. Thrash, Jr., of Georgia, to be United States District Judge for the Northern District of Georgia.

Jose-Marie Griffiths, of Tennessee, to be a Member of the National Commission on Libraries and Information Science for a term expiring July 19, 2001.

Mary Ann Gooden Terrell, of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia for the term of fifteen years.

Robert S. LaRussa, of Maryland, to be an Assistant Secretary of Commerce.

James H. Atkins, of Arkansas, to be a Member of the Federal Retirement Thrift Investment Board for a term expiring September 25, 2000.

Calvin D. Buchanan, of Mississippi, to be United States Attorney for the Northern District of Mississippi for the term of four years.

Linda Jane Zack Tarr-Whelan, of Virginia, for the rank of Ambassador during her tenure of service as United States Representative to the Commission on the Status of Women of the Economic and Social Council of the United Nations.

Yerker Andersson, of Maryland, to be a Member of the National Council on Disability for a term expiring September 17, 1999.

Gina McDonald, of Kansas, to be a Member of the National Council on Disability for a term expiring September 17, 1998.

Bonnie O'Day, of Minnesota, to be a Member of the National Council on Disability for a term expiring September 17, 1998.

Edward William Gnehm, Jr., of Georgia, to be Director General of the Foreign Service.

Richard Sklar, of California, to be Representative of the United States of America to the United Nations for U.N. Management and Reform, with the Rank of Ambassador.

A. Peter Burleigh, of California, to be the Deputy Representative of the United States of America to the United Nations, with the rank and status of Ambassador Extraordinary and Plenipotentiary.

James W. Pardew, Jr., of Virginia, for the Rank of Ambassador during his tenure of service as U.S. Special Representative for Military Stabilization in the Balkans.

Stanley O. Roth, of Virginia, to be an Assistant Secretary of State.

Marc Grossman, of Virginia, to be an Assistant Secretary of State.

John Christian Kornblum, of Michigan, to be Ambassador to the Federal Republic of Germany.

David J. Scheffer, of Virginia, to be Ambassador at Large for War Crimes Issues.

James P. Rubin, of New York, to be an Assistant Secretary of State.

Paul Simon, of Illinois, to be a Member of the National Institute for Literacy Advisory Board for a term expiring September 22, 1998.

Bonnie R. Cohen, of District of Columbia, to be an Under Secretary of State.

James Franklin Collins, of Illinois, to be Ambassador to the Russian Federation.

Janice R. Lachance, of Virginia, to be Deputy Director of the Office of Personnel Management.

Patrick A. Shea, of Utah, to be Director of the Bureau of Land Management.

George A. Omas, of Mississippi, to be a Commissioner of the Postal Rate Commission for a term expiring October 14, 2000.

Jane Garvey, of Massachusetts, to be Administrator of the Federal Aviation Administration for the term of five years.

Karl Frederick Inderfurth, of North Carolina, to be Assistant Secretary of State for South Asian Affairs.

David Andrews, of California, to be Legal Adviser of the Department of State.

Ralph Frank, of Washington, to be Ambassador to the Kingdom of Nepal.

John C. Holzman, of Hawaii, to be Ambassador to the People's Republic of Bangladesh.

Shirley Robinson Watkins, of Arkansas, to be Under Secretary of Agriculture for Food, Nutrition, and Consumer Services.

Louis Caldera, of California, to be a Managing Director of the Corporation for National and Community Service.

Rudy deLeon, of California, to be Under Secretary of Defense for Personnel and Readiness.

Robert G. Stanton, of Virginia, to be Director of the National Park Service.

Catherine E. Woteki, of the District of Columbia, to be Under Secretary of Agriculture for Food Safety.

Kneeland C. Youngblood, of Texas, to be a Member of the Board of Directors of the United States Enrichment Corporation for a term expiring February 24, 2002.

Wendy Ruth Sherman, of Maryland, to be Counselor of the Department of State, and to have the rank of Ambassador during her tenure of service.

Gordon D. Giffin, of Georgia, to be Ambassador to Canada.

Maura Harty, of Florida, to be Ambassador to the Republic of Paraguay.

James F. Mack, of Virginia, to be Ambassador to the Co-operative Republic of Guyana.

Anne Marie Sigmund, of the District of Columbia, to be Ambassador to the Kyrgyz Republic.

Keith C. Smith, of California, to be Ambassador to the Republic of Lithuania.

Daniel V. Speckhard, of Wisconsin, to be Ambassador to the Republic of Belarus.

George Munoz, of Illinois, to be President of the Overseas Private Investment Corporation.

Richard Dale Kauzlarich, of Virginia, to be Ambassador to the Republic of Bosnia and Herzegovina.

Jamie Rappaport Clark, of Maryland, to be Director of the United States Fish and Wildlife Service.

I. Miley Gonzalez, of New Mexico, to be Under Secretary of Agriculture for Research, Education, and Economics.

August Schumacher, Jr., of Massachusetts, to be Under Secretary of Agriculture for Farm and Foreign Agricultural Services.

Kathleen M. Karpan, of Wyoming, to be Director of the Office of Surface Mining Reclamation and Enforcement.

August Schumacher, Jr., of Massachusetts, to be a Member of the Board of Directors of the Commodity Credit Corporation.

Shirley Robinson Watkins, of Arkansas, to be a Member of the Board of Directors of the Commodity Credit Corporation.

Thomas E. Scott, of Florida, to be United States Attorney for the Southern District of Florida for the term of four years.

Felix George Rohatyn, of New York, to be Ambassador to France.

Philip Lader, of South Carolina, to be Ambassador to the United Kingdom of Great Britain and Northern Ireland.

1 Air Force nomination in the rank of general.

1 Army nomination in the rank of general.

1 Marine Corps nomination in the rank of general.

Routine lists in the Foreign Service.

Pages S8462–63

Nominations Received: Senate received the following nominations:

Jo Ann Jay Howard, of Texas, to be Federal Insurance Administrator, Federal Emergency Management Agency.

Paul M. Igasaki, of California, to be a Member of the Equal Employment Opportunity Commission for a term expiring July 1, 2002.

Tadd Johnson, of Minnesota, to be Chairman of the National Indian Gaming Commission for the term of three years.

Ernest J. Moniz, of Massachusetts, to be Under Secretary of Energy.

A. Richard Caputo, of Pennsylvania, to be United States District Judge for the Middle District of Pennsylvania.

G. Patrick Murphy, of Illinois, to be United States District Judge for the Southern District of Illinois.

Carlos R. Moreno, of California, to be United States District Judge for the Central District of California.

Michael P. McCuskey, of Illinois, to be United States District Judge for the Central District of Illinois.

Victoria A. Roberts, of Michigan, to be United States District Judge for the Eastern District of Michigan.

Frederica A. Massiah-Jackson, of Pennsylvania, to be United States District Judge for the Eastern District of Pennsylvania.

Bruce C. Kauffman, of Pennsylvania, to be United States District Judge for the Eastern District of Pennsylvania.

John H. Bingler, Jr., of Pennsylvania, to be United States District Judge for the Western District of Pennsylvania.

James S. Gwin, of Ohio, to be United States District Judge for the Northern District of Ohio.

Jeffrey D. Colman, of Illinois, to be United States District Judge for the Northern District of Illinois.

Rebecca R. Pallmeyer, of Illinois, to be United States District Judge for the Northern District of Illinois.

Dan A. Polster, of Ohio, to be United States District Judge for the Northern District of Ohio.

Algenon L. Marbley, of Ohio, to be United States District Judge for the Southern District of Ohio.

John E. Mansfield, of Virginia, to be a Member of the Defense Nuclear Facilities Safety Board for a term expiring October 18, 2001.

George Edward Moose, of Maryland, to be Representative of the United States of America to the European Office of the United Nations, with the rank of Ambassador.

Nancy Dorn, of the District of Columbia, to be Member of the Board of Directors of the Inter-American Foundation for a term expiring June 26, 2002.

Hershel Wayne Gober, of Arkansas, to be Secretary of Veterans Affairs.

Dennis Dollar, of Mississippi, to be a Member of the National Credit Union Administration Board for a term expiring April 10, 2003.

Michale K. Powell, of Virginia, to be a Member of the Federal Communications Commission for a term of five years from July 1, 1997.

1 Air Force nomination in the rank of general.

1 Navy nomination in the rank of admiral.

Routine lists in the Air Force, Army.

Pages S8461–62

Messages From the President: **(See next issue.)**

Messages From the House: **(See next issue.)**

Communications: **(See next issue.)**

Executive Reports of Committees: **(See next issue.)**

Statements on Introduced Bills: **(See next issue.)**

Additional Cosponsors: **(See next issue.)**

Amendments Submitted: **(See next issue.)**

Notices of Hearings: **(See next issue.)**

Authority for Committees: **(See next issue.)**

Additional Statements: **(See next issue.)**

Record Votes: Three record votes were taken today. (Total—211) **Pages S8410, S8451 (continued next issue)**

Adjournment: Senate convened at 9:15 a.m. and, in accordance with H. Con. Res. 136, adjourned at 8 p.m., until 11 a.m., on Tuesday, September 2, 1997.

Committee Meetings

(Committees not listed did not meet)

FOOD SECURITY IN AFRICA

Committee on Agriculture, Nutrition, and Forestry: Committee concluded hearings on proposed legislation to enhance African food security and increase U.S. exports by stimulating a new trade and development relationship between the United States and Africa, and on provisions of S. 778, to authorize a new trade and investment policy for sub-Saharan African countries, after receiving testimony from Lawrence H. Summers, Deputy Secretary of the Treasury; Derek Hanekom, South Africa Minister of Agriculture and Land Affairs, Pretoria; Edith G. Ssempala, Republic of Uganda Ambassador to the United States; Norman E. Borlaug, Sasakawa-Global 2000, Mexico City, Mexico; Ernie Micek, Cargill, Incorporated, Minneapolis, Minnesota; and Joseph C. Kennedy, AFRICARE, Washington, D.C.

EXPORT-IMPORT BANK

Committee on Banking, Housing, and Urban Affairs: Committee ordered favorably reported S. 1026, authorizing funds for the Export-Import Bank of the United States, with amendments.

NATIONAL PARKS OVERFLIGHTS

Committee on Commerce, Science, and Transportation: Committee held hearings on S. 268, to promote air safety and restore or preserve natural quiet in national parks by establishing minimum flight altitudes and prohibiting overflights below such minimum altitudes in any national park, receiving testimony from Senators Akaka and Allard; Representatives Mink and Gibbons; Louise E. Maillett, Acting Administrator for Policy, Planning and International Aviation, Federal Aviation Administration, Department of Transportation; Destry Jarvis, Assistant Director, External Affairs, National Park Service, Department of the Interior; Tom Robinson, Grand Canyon Trust, Flagstaff, Arizona; Phil Pearl, National Parks and Conservation Association, Washington, D.C.; James Petty, Air Vegas Airlines, Henderson, Nevada, on behalf of the United States Air Tour Association and the Grand Canyon Air Tour Council; Richard L. Larew, Era Aviation, Inc., Anchorage, Alaska; and Frank L. Jensen, Jr., Helicopter Association International, Alexandria, Virginia.

Hearings were recessed subject to call.

FOREST SERVICE ALASKA REGION

Committee on Energy and Natural Resources: Committee held oversight hearings to examine the organizational structure, staffing, and budget for implementation of the Tongass Land Management Plan and the management of programs under the jurisdiction of the Alaska region of the Forest Service, receiving testimony from Ronald E. Stewart, Acting Associate Chief, and Phil Janik, Regional Forester (Juneau, Alaska), both of the Forest Service, Department of Agriculture.

Hearings were recessed subject to call.

NOMINATIONS

Committee on Governmental Affairs: Committee ordered favorably reported the nominations of James H. Atkins, of Arkansas, to be a Member of the Federal Retirement Thrift Investment Board, Janice R. Lachance, of Virginia, to be Deputy Director of the Office of Personnel Management, and George A. Omas, of Mississippi, to be a Commissioner of the Postal Rate Commission.

CAMPAIGN FINANCING INVESTIGATION

Committee on Governmental Affairs: Committee continued hearings to examine certain matters with regard to the committee's special investigation on campaign financing, receiving testimony from Terry Lenzner and Loren Berger, both of the Investigative Group, Incorporated, Washington, D.C.; and Zhi Hua Dong, Ching Hai Meditation Society, Brooklyn, New York.

Hearings were recessed subject to call.

BUSINESS MEETING

Committee on the Judiciary: Committee ordered favorably reported the following business items:

S. 53, to require the general application of the antitrust laws to major league baseball, with an amendment in the nature of a substitute; and

The nominations of Frank M. Hull, of Georgia, to be United States Circuit Judge for the Eleventh Circuit, Robert Charles Chambers, to be United States District Judge for the Southern District of West Virginia, Janet C. Hall and Christopher Droney, each to be a United States District Judge for the District of Connecticut, Joseph F. Bataillon, to be United States District Judge for the District of Nebraska, Sophia H. Hall, of Illinois, to be a Member of the Board of Directors of the State Justice Institute, James Allan Hurd Jr., to be United States Attorney for the District of the Virgin Islands, and Sharon J. Zealey, to be United States Attorney for the Southern District of Ohio.

REFUGEE ADMISSIONS

Committee on the Judiciary: Subcommittee on Immigration concluded hearings to examine the President's proposed annual refugee admissions and allocation for fiscal year 1998, after receiving testimony from Phyllis Oakley, Assistant Secretary, Bureau of Population, Refugee and Migration, Department of State; Joseph Cuddihy, Acting Associate Commissioner for Field Operations, Immigration and Naturalization Service, Department of Justice; Lavinia Limon, Director of Office of Refugee Resettlement, Department of Health and Human Services; Elizabeth Ferris, Committee on Migration and Refugee Affairs/InterAction, and John Fredriksson, Immigration and Refugee Services of America/U.S. Committee for Refugees, both of Washington, D.C.; Norman D. Tilles, Hebrew Immigrant Aid Society, New York, New York; and Amela Sutovic and Khuong Le, both former refugees.

SENATE FLOOR ACCESS/SENATE ELECTION

Committee on Rules and Administration: Committee ordered favorably reported the following resolutions:

S. Res. 110, to permit an individual with a disability with access to the Senate floor to bring necessary supporting aids and services; and

An original resolution authorizing the continuance of the committee's investigation into alleged illegal and improper activities affecting the outcome of a United States Senate election held in the State of Louisiana in November 1996.

House of Representatives

Chamber Action

Bills Introduced: 57 public bills, H.R. 2316–2372; and 15 resolutions, H.J. Res. 90–93, H. Con. Res. 136–140, and H. Res. 207–212, were introduced.

Pages H6703–06

Reports Filed: Reports were filed today as follows:

H. Res. 206, waiving points of order against the conference report to accompany H.R. 2014, to provide for reconciliation pursuant to subsections (b)(2) and (d) of section 105 of the concurrent resolution on the budget for fiscal year 1998 (H. Rept. 105–221);

H.R. 1211, a private bill, for the relief of Global Exploration and Development Corporation, Kerr-McGee Corporation, and Kerr-McGee Chemical Corporation, amended (H. Rept. 105–222);

H.R. 998, a private bill, for the relief of Lloyd B. Gamble (H. Rept. 105–223);

H.R. 1370, to reauthorize the Export-Import Bank of the United States, amended (H. Rept. 105–224);

H.R. 1502, to designate the United States Courthouse located at 301 West Main Street in Benton, Illinois, as the "James L. Foreman United States Courthouse" (H. Rept. 105–225);

H.R. 1484, to redesignate the Dublin Federal Courthouse building located in Dublin, Georgia, as the J. Roy Rowland Federal Courthouse, amended (H. Rept. 105–226);

H.R. 1479, to designate the Federal building and United States courthouse located at 300 Northeast First Avenue in Miami, Florida, as the "David W. Dyer Federal Courthouse", amended (H. Rept. 105–227);

H.R. 994, to designate the United States border station located in Pharr, Texas, as the "Kika de la Garza United States Border Station" (H. Rept. 105–228);

H.R. 962, to redesignate a Federal building in Suitland, Maryland, as the "W. Edwards Deming Federal Building" (H. Rept. 105–229);

H.R. 892, to redesignate the Federal building located at 223 Sharkey Street in Clarksdale, Mississippi, as the "Aaron Henry United States Post Office", amended (H. Rept. 105–230);

H.R. 643, to designate the United States courthouse to be constructed at the corner of Superior and Huron Roads, in Cleveland, Ohio, as the "Carl B. Stokes United States Courthouse" (H. Rept. 105–231);

H.R. 613, to designate the Federal building located at 100 Alabama Street NW, in Atlanta, Georgia, as the "Sam Nunn Federal Center", amended (H. Rept. 105–232);

H.R. 595, to designate the Federal building located at 100 Alabama Street NW, in Atlanta, Georgia, as the "Sam Nunn Federal Center" (H. Rept. 105–233);

H.R. 548, to designate the United States courthouse located at 500 Pearl Street in New York City, New York, as the "Ted Weiss United States Courthouse" (H. Rept. 105–234);

H.R. 81, to designate the United States courthouse located at 401 South Michigan Street in South Bend, Indiana, as the "Robert K. Rodibaugh United States Bankruptcy Courthouse" (H. Rept. 105–235); and

H.R. 2204, to authorize appropriations for fiscal years 1998 and 1999 for the Coast Guard, amended (H. Rept. 105–236). **Pages H6702–03**

Guest Chaplain: The prayer was offered by the guest Chaplain, the Reverend Don Bowen of Alexandria, Virginia. **Page H6619**

Taxpayer Relief Act of 1997: By a yea and nay vote of 389 yeas to 43 nays, Roll No. 350, the House agreed to the conference report on H.R. 2014, to provide for reconciliation pursuant to subsections (b)(2) and (d) of section 105 of the concurrent resolution on the budget for fiscal year 1998. **Pages H6623–65**

Agreed to H. Res. 206, the rule waiving points of order against the conference report, by a voice vote. Earlier, agreed to the Dreier amendment to the rule that increased the debate time on the bill from two and one-half hours to three hours. **Pages H6623–30**

Technical Corrections: The House agreed to H. Con. Res. 138, to correct technical errors in the enrollment of H.R. 2014, the Taxpayer Relief Act. **Page H6680**

Waiving Certain Enrollment Requirements: Considered by unanimous consent, the House passed H.J. Res. 90, waiving certain enrollment requirements with respect to two specified bills of the One Hundred Fifth Congress. Subsequently, H. Res. 203, the rule to provide for its consideration was laid on the table. **Page H6667**

August District Work Period: By a yea and nay vote of 403 yeas to 16 nays, Roll No. 351, the House agreed to H. Con. Res. 136, providing for the adjournment of both Houses of Congress for the August District Work Period. **Pages H6666–67**

Order of Business—Labor, HHS, and Education Appropriations: Agreed by unanimous consent that (1) the Speaker may at any time, as though pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for consideration of H.R. 2264, making appropriations for the Department of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1998; (2) the first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. After general debate the bill shall be considered for amendment under the five-minute rule. (3) Points of order against provisions in the bill for failure to comply with clause 2 or 6 of rule XXI are waived except as follows: beginning with ": Provided" on page 41, line 26, through "$2,245,000,000" on page 42, line 3. Where points of order are waived against part of a paragraph, points of order against a provision in another part of such paragraph may be made only against such provision and not against the entire paragraph. (4) The amendments printed in House report 105–214 may be offered only by a Member designated in the report and only at the appropriate point in the reading of the bill, shall be considered as read, shall not be subject to amendment except pro forma amendments offered for the purpose of debate, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against the amendments printed in the report are waived. (5) During consideration of the bill for amendment, the Chairman of the Committee of the Whole may accord priority in recognition on the basis of whether the Member offering an amendment has caused it to be printed in the portion of the Congressional Record designated for that purpose in clause 6 of rule XXIII. Amendments so printed shall be considered as read. (6) The chairman of the Committee of the Whole may: (1) postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment; and (2) reduce to five minutes the minimum time for electronic voting on any postponed question that follows another electronic vote without intervening business, provided that the minimum time for electronic voting on the first in any series of questions shall be 15 minutes. (7) During consideration of the bill, points of order against amendments for failure to comply with clause 2(e) of rule XXI are waived. (8) At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. (9) Notwithstanding any other provisions of this order, it shall be in order to consider in lieu of amendments numbered 1 and 2 in House Report 105–214 the amendment read by the Clerk, and that amendment shall otherwise be considered as though printed as the amendment numbered 1 in House Report 105–214. (10) H. Res. 199, the rule to provide for its consideration, was laid on the table. **Pages H6667–68, H6669**

Election of Chief Administrative Officer: The House agreed to H. Res. 207, electing Jay Eagen of the Commonwealth of Pennsylvania Chief Administrative Officer of the House of Representatives. Subsequently, Mr. Eagen presented himself in the well and was administered the oath of office by the Speaker. **Pages H6669–71**

International Dolphin Conservation Program: The House concurred in the Senate amendment to H.R. 408, to amend the Marine Mammal Protection Act of 1972 to support the International Dolphin Conservation Program in the eastern tropical Pacific Ocean—clearing the measure for the President. **Pages H6671–77**

Honoring the Life of Betty Shabazz: The House agreed to H. Res. 183, honoring the life of Betty Shabazz. **Pages H6677–78**

Committee Resignations: Read a letter from Representative Weygand wherein he requested a leave of absence from the Committee on Small Business and read a letter from Representative McKinney wherein she resigned from the Committee on Banking and Financial Services. Subsequently, and without objection, the resignations were accepted. **Page H6678**

Committee Election: The House agreed to H. Res. 208, electing Representative Weygand to the Committee on Banking and Financial Services and Representative McKinney to the Committee on National Security. **Page H6678**

Late Report—Treasury Appropriations: Committee on Appropriations received permission to have until midnight on Tuesday, August 5, 1997 to file a report on a bill making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain independent Agencies for the fiscal year ending September 30, 1998. **Page H6679**

Order of Business—Foreign Operations Appropriations Act: Agreed by unanimous consent that during further consideration of H.R. 2159, making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1998, pursuant to the order of the House of July 24, 1997, no other amendment shall be in order (except pro forma amendments offered for the purpose of debate) unless printed before August 1, 1997, in the portion of the Congressional Record designated for that purpose in clause 6 of rule XXIII. **Page H6678**

India and Pakistan Independence: The House agreed to H. Res. 157, congratulating the people of India and Pakistan on the occasion of the 50th anniversary of their nations' independence. **Pages H6679–80**

Antidumping Duties on High Fructose Corn Syrup: The House agreed to S. Con. Res. 43, urging the United States Trade Representative immediately to take all appropriate action with regards to Mexico's imposition of antidumping duties on United States high fructose corn syrup. **Pages H6680–82**

Legislative Counsel of the House of Representatives: Read a letter from David E. Meade wherein he resigned from his position as Legislative Counsel of the House. Subsequently, the Speaker accepted the resignation and appointed M. Pope Barrow, Jr., Legislative Counsel of the House of Representatives. **Page H6682**

Presidential Messages: Read the following messages from the President:

Continuation of Iraqi Emergency: Message wherein he transmitted his notice stating that the Iraqi emergency is to continue in effect—referred to the Committee on International Relations and ordered printed (H. Doc. 105–113); and **Page H6682**

National Emergency Re Iraq: Message wherein he transmitted his report on the developments since February 10, 1997 concerning the national emergency with respect to Iraq—referred to the Committee on International Relations and ordered printed (H. Doc. 105–114). **Pages H6682–84**

Resignations—Appointments: It was made in order that notwithstanding any adjournment of the House until Wednesday, September 3, 1997, the Speaker, Majority Leader, and Minority Leader be authorized to accept resignations and to make appointments authorized by law or by the House. **Page H6684**

Extension of Remarks: It was made in order that for today and tomorrow all members be permitted to extend their remarks and to include extraneous material in that section of the Record entitled ''Extension of Remarks''. **Page H6684**

Calendar Wednesday: Agreed to dispense with Calendar Wednesday business of Wednesday, September 3, 1997. **Page H6684**

Senate Messages: Messages received from the Senate today appear on pages H6619, H6623, H6684, and H6694.

Amendments: Amendments ordered printed pursuant to the rule appear on page H6708.

Quorum Calls—Votes: One quorum call (Roll No. 349) and two yea-and-nay votes developed during the proceedings of the House today and appear on pages H6662, H6664–65, and H6666–67.

Adjournment: Met at 10:00 a.m. and adjourned at 8:55 p.m.

Committee Meetings

TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS

Committee on Appropriations: Ordered reported the Treasury, Postal Service, and General Government appropriations for fiscal year 1998.

NUCLEAR WASTE POLICY ACT

Committee on Commerce: Subcommittee on Energy and Power approved for full Committee action amended H.R. 1270, Nuclear Waste Policy Act of 1997.

LITERACY: A REVIEW OF CURRENT FEDERAL PROGRAMS

Committee on Education and the Workforce: Held a hearing on "Literacy: A Review of Current Federal Programs". Testimony was heard from public witnesses.

FEDERAL RETIREMENT—AGENCY MISTAKES

Committee on Government Reform and Oversight: Subcommittee on Civil Service held a hearing on "Agency Mistakes in Federal Retirement: Who Pays the Price?" Testimony was heard from William E. Flynn, Associate Director, Retirement and Insurance Service, OPM; Diane Disney, Deputy Assistant Secretary, Civilian Personnel, Department of Defense; from the following officials of the Department of the Treasury: Linda Oakey-Hemphill, Agency Retirement Counselor; and Sarah Hall-Ingram, Associate Chief Counsel, Employee Benefits/Exempt Organizations, IRS.

FDA OVERSIGHT

Committee on Government Reform and Oversight: Subcommittee on Human Resources held an oversight hearing on "FDA Oversight: Blood Safety and the Implications of Pool Sizes in the Manufacture of Plasma Derivatives". Testimony was heard from the following officials of the Department of Health and Human Services: David Satcher, M.D., Director, Centers for Disease Control and Prevention; Paul W. Brown, M.D., Senior Research Scientist, Laboratory of Central Nervous System Studies, National Institute of Neurological Disorders and Stroke, NIH; and Kathryn Zoon, Director, Center for Biologics Evaluation and Research, FDA; and public witnesses.

PRIVATE BILL

Committee on the Judiciary: Subcommittee on Immigration and Claims approved a motion to request a report by the Immigration and Naturalization Service on a private bill.

OVERSIGHT

Committee on Resources: Subcommittee on Energy and Mineral Resources held an oversight hearing on Royalty-In-Kind for Federal oil and gas production. Testimony was heard from Cynthia L. Quarterman, Director, Minerals Management Service, Department of the Interior; Jim Magagna, Director, Office of State Lands and Investments, Office of Federal Land Policy, State of Wyoming; Spencer Reid, Deputy Land Commissioner, General Land Office, State of Texas; David Darouse, Mineral Revenue Regional Auditor Supervisor, Department of Natural Resources, State of Louisiana; and public witnesses.

MISCELLANEOUS MEASURES

Committee on Resources: Subcommittee on Fisheries Conservation, Wildlife and Oceans approved for full Committee action the following bills: H.R. 512, New Wildlife Refuge Authorization Act of 1997; H.R. 1856, amended, Volunteers for Wildlife Act of 1997; and H.R. 2233, Coral Reef Conservation Act of 1997.

The Subcommittee also held a hearing on H.R. 1787, the Asian Elephant Conservation Act of 1997. Testimony was heard from Marshall P. Jones, Assistant Director, International Affairs, U.S. Fish and Wildlife Service, Department of the Interior; and public witnesses.

OVERSIGHT

Committee on Resources: Subcommittee on Forests and Forest Health oversight hearing on Forest Service Strategic Plan under the Government Performance and Results Act. Testimony was heard from Barry Hill, Associate Director, Energy, Resources and Science Issues, Resources, Community and Economic Development Division, GAO; and the following officials of the USDA: James R. Lyons, Under Secretary, Natural Resources and Environment; and Francis Pandolsi, Chief of Staff, Forest Service.

MISCELLANEOUS MEASURES

Committee on Resources: Subcommittee on National Parks and Public Lands approved for full Committee action amended the following bills: H.R. 1567, to provide for the designation of additional wilderness lands in the eastern United States; H.R. 136, to amend the National Parks and Recreation Act of 1978 to designate the Marjory Stoneman Douglas Wilderness and to amend the Everglades National Park Protection and Expansion Act of 1989 to designate the Ernest F. Coe Visitor Center; and H.R. 708 to require the Secretary of the Interior to conduct a study concerning grazing use of certain lands within and adjacent to Grand Teton National Park, Wyoming, and to extend temporarily certain grazing privileges.

CONFERENCE REPORT—TAXPAYER RELIEF ACT

Committee on Rules: Granted, by voice vote, a rule waiving all points of order against the conference report to accompany H.R. 2014, Taxpayer Relief Act of 1997, and against its consideration and provides that the conference report shall be considered as read. The rule provides two hours and thirty minutes of debate equally divided and controlled between the chairman and ranking minority member of the Committee on Ways and Means. Testimony was heard from Chairman Archer and Representative Rangel.

ENERGY CONSERVATION PROGRAMS EXTENSION

Committee on Science: Subcommittee on Energy and Environment held a hearing on S. 417, to extend energy conservation programs under the Energy Policy and the Conservation Act through September 30, 2002. Testimony was heard from Allan R. Hoffman, Acting Deputy Assistant Secretary, Office of Utility Technologies, Department of Energy; and public witnesses.

U.S. AND FRANCE—AVIATION RELATIONS

Committee on Transportation and Infrastructure: Subcommittee on Aviation held a hearing on Aviation Relations between the U.S. and France. Testimony was heard from Representative Klink; Charles Hunnicut, Assistant Secretary, Aviation and International Affairs, Department of Transportation; and public witnesses.

COMMITTEE MEETINGS FOR FRIDAY, AUGUST 1, 1997

(Committee meetings are open unless otherwise indicated)

Senate

Committee on the Judiciary, Subcommittee on Administrative Oversight and the Courts, to hold hearings to examine the negative impact of bankruptcy on local education funding, 10 a.m., SD–226.

House

No committee meetings are scheduled.

Joint Meetings

Joint Economic Committee, to hold hearings to examine the employment-unemployment situation for July, 9:30 a.m., 1334 Longworth Building.

Next Meeting of the SENATE

11 a.m., Tuesday, September 2

Senate Chamber

Program for Tuesday: Senate will consider S. 1061, Labor/HHS Appropriations, 1998, and H.R. 2160, Agriculture Appropriations, 1998.

Next Meeting of the HOUSE OF REPRESENTATIVES

9 a.m., Friday, August 1

House Chamber

Program for Friday: No legislative business.

Extensions of Remarks, as inserted in this issue

HOUSE

Congressional Record The public proceedings of each House of Congress, as reported by the Official Reporters thereof, are printed pursuant to directions of the Joint Committee on Printing as authorized by appropriate provisions of Title 44, United States Code, and published for each day that one or both Houses are in session, excepting very infrequent instances when two or more unusually small consecutive issues are printed at one time. ¶Public access to the Congressional Record is available online through *GPO Access,* a service of the Government Printing Office, free of charge to the user. The online database is updated each day the Congressional Record is published. The database includes both text and graphics from the beginning of the 103d Congress, 2d session (January 1994) forward. It is available on the Wide Area Information Server (WAIS) through the Internet and via asynchronous dial-in. Internet users can access the database by using the World Wide Web; the Superintendent of Documents home page address is http://www.access.gpo.gov/su__docs, by using local WAIS client software or by telnet to swais.access.gpo.gov, then login as guest (no password required). Dial-in users should use communications software and modem to call (202) 512–1661; type swais, then login as guest (no password required). For general information about *GPO Access,* contact the *GPO Access* User Support Team by sending Internet e-mail to gpoaccess@gpo.gov, or a fax to (202) 512–1262; or by calling Toll Free 1–888–293–6498 or (202) 512–1530 between 7 a.m. and 5 p.m. Eastern time, Monday through Friday, except for Federal holidays. ¶The Congressional Record paper and 24x microfiche will be furnished by mail to subscribers, free of postage, at the following prices: paper edition, $150.00 for six months, $295.00 per year, or purchased for $2.50 per issue, payable in advance; microfiche edition, $141.00 per year, or purchased for $1.50 per issue payable in advance. The semimonthly Congressional Record Index may be purchased for the same per issue prices. Remit check or money order, made payable to the Superintendent of Documents, directly to the Government Printing Office, Washington, D.C. 20402. ¶Following each session of Congress, the daily Congressional Record is revised, printed, permanently bound and sold by the Superintendent of Documents in individual parts or by sets. ¶With the exception of copyrighted articles, there are no restrictions on the republication of material from the Congressional Record.