

of living—the standard of living experienced by American workers—is not advancing.

The American people are tired of that. They want a change in economic circumstances. And we, one day soon, must have a real, interesting, and thoughtful discussion about these economic policies. Now, more than ever, this country needs a full-scale policy debate about economic strategy and what kind of strategy, including trade strategy and other strategies, results in advancing America's economic interests—not just America's corporate interests, not just America's investors' interests, but the interests of all Americans.

That is a debate we have not had. We did not have it during NAFTA. We did not have it during GATT. You could not have it, in fact. The major newspapers of this country—the Washington Post, the New York Times, the Los Angeles Times, the Wall Street Journal—would not even give you open access to an opportunity to discuss these things. It is interesting, with NAFTA, we counted the column inches on the editorial and op-ed pages “pro” and “anti.” It was 6 to 1 pro-NAFTA, pro-GATT—6 to 1.

These are areas where you ought to expect there to be freedom of speech and open debate. But it is not so. And the economic interests that propel that sort of imbalance in our major newspapers in our country, when we have these kinds of discussions, is the same economic interest that prevents the discussions even from getting any momentum in a Chamber like this. One day soon, I hope, that is going to change. And the sooner the better, if we are interested in providing some satisfaction for American workers whose only interest, it seems to me, is to work hard, have opportunity, and progress with an increased standard of living.

#### REGULATIONS

Mr. DORGAN. Mr. President, let me turn to the question of regulations. We, on the floor of the Senate, are going to be discussing regulatory reform. It has been of great interest to me to see what has happened on the issue of regulations. It has become a cottage industry, and certainly a political industry, to decide that government is evil, and government regulations are inherently evil, and what we need to do is wage war against government safeguards and standards.

Let me be the first to say that there are some people who propose and write regulations that make no sense at all and that make life difficult for people. That happens sometimes. I realize that. What we ought to do is combat bad regulation and get rid of it. Bad government regulations that do not make any sense and are impossible to comply with—we ought to get rid of them. I understand and accept that.

But I am not one who believes we ought to bring to the floor of the Senate initiatives that say, “Let's step back from the substantial regulations that made life better in this country for dozens of years.”

We have had fights in many different venues to try to decide: When should we put an end to polluting America's air? How long should we allow America's kids to breathe dirty air because the captains of industry want to make more profit? When should we decide you cannot dump chemicals into our rivers and streams? When should we decide we want environmental safeguards so the Earth we live on is a better place to live?

We made many of those decisions already. We made fundamental decisions about worker safety. We made decisions about the environment. We made decisions about auto safety. Many of those decisions were the right decisions and good decisions. If we bring to the floor of the Senate, under the guise of regulatory reform, proposals that we decide we ought to retreat on the question of whether we want clean air in this country, then we are not thinking very much.

I do not know whether many Members of the U.S. Senate or many of the American people fully understand how far we have come. Do you know, in the past 20 years, we now use twice as much energy in this country as we did 20 years ago and we have less air pollution? We have cleaner air in America today than we did 20 years ago, yet we use twice as much energy.

Why do we have cleaner air? Is it because someone sitting in a corporate board room said, “You know, what I really need to do, as a matter of social conscience, is to stop polluting; what I need to do is build some scrubbers in the stacks so there are fewer pollutants coming out of the stacks and that way I will help children and help people and clean up the air”? Do you think that is why we cleaned up America's air? The job is not done, but do you think that is why America's air is cleaner now than 20 years ago, because the captains of industry in their paneled boardrooms decided to give up profits in exchange for cleaner air?

Not on your life. Not a chance. The reason the air in this country is cleaner than it was 20 years ago is bodies like this made decisions. We said, “Part of the cost of producing anything in this country is also the cost of not polluting. You are going to have to stop polluting. Is it going to cost you money to stop polluting? Yes, it is. And we are sorry about that. But you spend the money and pass it along in the cost of the product, because the fact is we insist that America's air be cleaner. We are tired of degrading America's air, and having men, women, and children breathe dirty air that causes health problems and fouls the Earth we are living on.”

What about water? Do you know now there are fewer lakes and streams with

acid rain; that we have fewer acid rain problems, we have cleaner streams, cleaner lakes in America now than 20 years ago?

Why is that happening? Is it because somebody decided that they would no longer dump their pollutants into the stream? No. It is because the people in this country through their government said we want to stop fouling the streams. We had the Cuyahoga River catch on fire. The Cuyahoga River in Cleveland actually started burning one day. Why did that happen? Because the manufacturers and others in this country were dumping everything into these streams and thought it was fine. It was not fine. We decided as a matter of regulation that it was not fine.

There are some people who say, “Well, that is inconvenient for corporations. It costs too much to comply with all of these. Let us back away on some of these restrictions.”

I want you to know that we are going back a ways. I have told this story before. I am going to tell it again because it is central to this debate. All government regulations are not bad. Some of them are essential to this country's health.

Upton Sinclair wrote the book in the early 1900's in which he investigated the conditions of the meatpacking houses in Chicago. What he discovered in the meatpacking plants of Chicago was a rat problem. And how did they solve the rat problem in a meatpacking plant in Chicago? They put out slices of bread laced with arsenic so the rats could eat the arsenic and die. Then the bread and the arsenic and the rats would all be thrown down the same hole as the meat, and you get your mystery meat at the grocery store. The American people started to understand what was going on in those meatpacking plants, and said, “Wait a second. That is not what we want for ourselves and our kids. It is not healthy.”

The result, of course, was the Federal Government decided to pass legislation saying, We are going to regulate. What would you rather see stamped on the side of a carcass of beef—“U.S. inspected”? Does that give you more confidence? It does for me. It means that carcass of beef had to pass some inspection by somebody who looked at it not with an economic interest, but who looked at it, and said, “Yes. This passes inspection, and it is safe to eat.”

Or do you want the meatpacking plants—the captains of industry in the meatpacking business who in the year 1900 would have been running a plant in which they were trying to poison rats in the same plant and mixing it with their meat? Well, I know who I would choose. I would choose to have a food system in this country that is inspected so the American consumer understands that we are eating safe food.

Let me talk about one other regulation that I am sure is inconvenient. In fact, I was involved with some of these

when I was in the House of Representatives. People may recall that it was not too long ago when you went to a grocery store and picked up a can of peas or a package of spaghetti or an ice cream bar from the shelves or the cooler and looked at the side. What did you see? You saw that this is an ice cream bar, this is a can of peas, and this is a box of spaghetti. That is the only information you got about that food—nothing more; nothing about sodium; nothing about fat; nothing more. Because they did not feel like telling you.

So we decided that it would be in the consumers' best interest if they had some notion what was in this product. You go shopping at the grocery store and watch. People clog the aisles these days picking up one of these cans. They turn to the back. They want to find out what is in it. How much fat is in this one? How much saturated fat is in that product?

You give people information and they will use it. It is good information. It improves their health. It makes them better consumers. Is that a bad regulation that we require people to tell the American people what is in food? No. I think it is a good regulation. But I will guarantee you this. Those who are required to do it fought every step of the way. The last thing they wanted to do was to have to comply with another regulation. I think these regulations make sense.

We are talking about regulations for safety, health, and the environment. Not all of them, not every one of them, but the bulk of the directions of what we were doing with regulation makes a lot of sense.

I do not want the debate this week here in the Senate to be a debate that is thoughtless. I would like it to be a debate that is thoughtful. Let us find out which regulations are troublesome, not which regulations are inconvenient or costly. I do not want to say to this industry or to that industry, "Yes. It is costly for you to comply with the clean air requirements. So that is fine. We will understand. We will give you a little break." I am sorry. I do not intend to give them a break. I do not intend that they have dirty air so they can have more profits.

I would like us to do this in a reasonable way. As I said when I started, there are some regulations that make no sense. I have seen some of them. I have participated in trying to get agencies to change some of them. I would be the first to admit that there are plenty of people working in the Federal Government who know all about theories and know all about the details but do not have the foggiest notion about what the compliance burdens are. These things need to make some rational sense. They need to be dealing with a goal that makes sense. They need to be constructed in a way so that compliance is enhanced. But I hope that the debate we have this week will really center on the questions about government regulation. What are we

doing this for? In most cases, we are doing this for the public good.

So, Mr. President, I think this is going to be a fascinating and interesting debate. We have some people in this Chamber who would like the wholesale repeal of a whole lot of important environmental and safety regulations. I do not happen to support that. Some would. Others who say every regulation is terrific. I do not support that either. I think what we ought to do is try to figure out what works and what does not, to get rid of what does not, and keep what works and keep what is good for this country.

I hope that is the kind of discussion we will have as the week goes on on the issue of regulatory reform.

Mr. President, at this point I would like to yield the remainder of my 15 minutes.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DORGAN. 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. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### BILLIONAIRES' TAX LOOPHOLE

Mr. KENNEDY. Mr. President, one of the worst examples of Republican misplaced priorities is the current blatant attempt to keep the tax loophole open for billionaires who renounce their American citizenship in order to avoid paying taxes on the massive wealth they have accumulated in America.

Under current law, these unpatriotic billionaires get a juicy tax break for turning their back on Uncle Sam. Does anyone in America seriously think they deserve it?

When Democrats initially tried to close the loophole last April, our proposal was rejected—supposedly because a few so-called technical questions needed to be addressed.

It turns out that the only serious technical issue was how to keep the loophole open, or at least save as much of it as possible.

The Joint Committee on Taxation completed its long-awaited study on the loophole on June 1 and it turned out to be a blatant attempt to save the loophole, rather than close it.

The Ways and Means Committee found the ways and means to keep the loophole open. They have even given the bill an appropriate number—H.R. 1812.

What a perfect number for a tax loophole bill—1812. That is about the year their thinking on tax reform stopped. Democrats will try to bring their 1812 bill into the 20th century when it gets to the Senate—and close that loophole tight on those unpatriotic billionaires.

I just wish our Republican friends would put as much time and effort into

closing tax loopholes and reducing corporate welfare as they put into keeping loopholes open.

We would save tens of billions of dollars, and balance the budget far more fairly, instead of balancing it on the backs of Medicare and education and low-income working families.

Tomorrow, the Senate Finance Committee will be holding a hearing on the billionaires' tax loophole. It is vitally important that the Senate stand firm in its desire to close this flagrant loophole once and for all.

On April 6, 96 of us went on record in favor of closing it. If we really want to close this loophole, we cannot accept the Ways and Means Committee bill. That bill is more loophole than law.

It does not prevent massive income tax avoidance by patient expatriates, and it does nothing to prevent avoidance of estate taxes and gift taxes.

First, the House bill allows expatriates to pay no U.S. tax on their gains if they wait 10 years before they sell their assets.

This part of the loophole already exists in current law, as has been repeatedly pointed out.

There is no reason to leave it open. Expatriates should be taxed when they expatriate—at the time they thumb their nose at Uncle Sam.

Second, under the House bill, gains from foreign assets built up during U.S. citizenship would not be subject to U.S. tax after expatriation takes place. All U.S. citizens pay taxes on worldwide income, so why should not expatriates?

Any serious proposal to address this issue must tax the gains on the expatriate's worldwide assets, and this tax must be imposed at the time of expatriation.

In addition, under the House bill, expatriates will continue to use tax planning gimmicks to avoid taxes on gains from domestic assets by shifting income from this country to foreign countries. As long as the Tax Code exempts foreign assets from the tax, wealthy expatriates will find new ways to shift assets and avoid taxes.

Third, the House bill cannot be effectively enforced. Expatriates can leave the U.S. tax jurisdiction without paying the tax or posting any security. They merely fill out a form at the time of expatriation, and the IRS will be left in the cold.

Fourth, the House bill does nothing to prevent expatriates from avoiding gift and estate taxes. With good legal advice, an expatriate can transfer all assets to a foreign corporation and then give it all away without any gift tax liability.

Finally, in a particularly obnoxious maneuver, the Ways and Means Committee bill unsuccessfully attempted to gerrymander the effective date of its watered-down reform in a transparent attempt to permit a few more undeserving billionaires to slither through the full loophole before the mild committee changes take effect.

Under this proposal, wealthy tax evaders would have qualified for the