

in September, I introduced a bill that would repeal 11 incentives in the corporate Tax Code to produce various polluting energy supplies and consume various nonrenewable minerals. Currently, these polluting tax subsidies cost taxpayers close to \$2.2 billion per year. This figure is expected to total a \$14.5 billion Treasury loss over the next 5 years.

The cost is even greater when we consider that not only do these subsidies encourage waste and environment degradation, but they also discourage investment in new alternatives to existing technology. Some European countries, that is, Germany, Austria, and the Netherlands, are considering a fiscally-neutral Ecological Tax Reform (ETR) which would introduce a CO₂/energy tax and at the same time reduce their income tax. The European Union Commission is considering a similar proposal. I am currently working on a bill along these same lines that would gradually reduce corporate and individual income taxes and gradually increase taxes on pollution, excessive depletion of valuable natural resources, and inefficient production and consumption of energy.

The time is right from both an environmental and an economical view point to press forward with tough environmental legislation which will protect our environment, create jobs, and position the United States as a leader in the environmental technology and services industry, an industry that will be constantly expanding through the next century.

Reprinted below is an article by Jessica Mathews which depicts the ease with which businesses developed substitutes for ozone-depleting chlorofluorocarbons [CFCs] once there was a modest incentive to do so.

CLEAN SWEEPS: TWO SUCCESS STORIES FOR THE ENVIRONMENT

Two extraordinary environmental successes are passing almost unnoticed. They illustrate the cost of ignoring good news—in particular good news about government—in favor of bad. When the success stories are missed so is the opportunity to reframe policy on the basis of what works instead of always focusing on what doesn't.

In less than two weeks the United States will produce its last ozone-destroying chlorofluorocarbons (CFCs), completing a historic international phaseout of a class of chemicals that just a few years ago seemed irreplaceable. Since the original aim of cutting production by half by 2000 was set in 1987, the goal has been tightened to a phase out, the schedule repeatedly accelerated and the class of banned chemicals broadened. The developing countries are now full partners and will cease production in 2015. Each new goal has been reached more quickly and at lower cost—frequently at a profit—than anyone dreamed possible even five years ago.

The ease with which businesses have developed CFC substitutes makes it easy to forget how hard the task looked at the outset. Industries predicted doomsday scenarios. The cuts would cripple the electronics industry, which would be unable to clean its chips, it was said, and would force offices, hospitals and shopping malls deprived of air conditioning to close.

With hindsight it's obvious why the experts were so wrong. CFCs seemed irreplaceable only because there had never been a reason to look for substitutes. CFCs were cheap, easy to handle, environmentally benign outside the stratosphere and useful in an enormous number of applications. Once there was a need to replace them, a modest economic incentive (in this case a tax) and enough time to develop alternatives, innovation bloomed.

The Clean Air Act amendments of 1990, which set the U.S. CFC rules, also established a plan to curb acid rain. In the 10 years it took to pass this law, no provisions were more bitterly fought. The need for controls at all, their appropriate level and their cost sparked trench warfare between environmentalists and industry and among pollution-emitting and pollution-receiving states. Utilities predicted a cost of \$1,000 to \$1,500 for every ton of sulfur dioxide removed. Some said it could not be done even at that exorbitant price.

The debates of the 1980s have been replaced by a benefit/cost ratio almost too lopsided to be believed. The newest estimate of the benefits of controlling acid rain, released by EPA this week, pegs the health benefits at an astonishing \$12 billion to \$40 billion annually. (The high estimate, based on more controversial science, is \$78 billion.) The estimate does not include the considerable benefits to acidified lakes and streams, high-altitude forests, to buildings or to visibility—only health. On the other side, the costs to industry and government when the controls are fully implemented will be \$2 billion to \$3 billion per year.

Acid rain emission allowances are trading for one-tenth what industry predicted—at \$130 per ton. Power plants and industries that do not have to begin cutting back until 2000 have begun to do so by choice. Those required to begin cutbacks this year are, in the new lingo "overcontrolling," cutting a staggering 40 percent more pollution than the law demands. To put it another way: Polluters are today emitting only 60 percent of what was allowed by a standard that, only a few years ago, many considered to be overly stringent and dangerously expensive.

What happened? First, of course, it is a law of human nature that the technical difficulty and economic cost of change—no matter how cloaked in seemingly objective science—will be exaggerated by those most deeply affected. In the case of environmental controls that generally means by the affected industries.

Something more important is at work. Both the CFC and the acid rain program set a goal, a performance standard, and left business free to figure out how best to meet it. Both avoided the traditional route of writing regulations specifying precisely what must be done.

Both programs let the marketplace work. The acid rain emissions trading scheme lets pollution sources buy and sell rights to emit sulfur dioxide or to bank them for later use. Instead of being forced to move by an arbitrary schedule, a company sets whatever schedule works best for it. Rather than requiring a cut of 10 percent or 50 percent from one year to the next, banked allowances allow a smooth transition. An incentive is created to control more pollution than the law requires. Instead of being told what to do by a bureaucrat, businessmen are given the flexibility to do what they're trained to do. Innovation is unleashed.

The sulfur emissions market is only a primitive first step toward an effective environmental marketplace. Newer schemes rely less heavily on government regulators. But EPA's best friends testify that while the agency's leadership has gotten the message, the command and control mentality still grips its troops—as well as too many environmentalists.

It's important these days to know that major societal goals can be achieved and even exceeded, as well as missed. The ozone and acid rain successes mean, too, that we know how to achieve more environmental cleanup at less cost and with more exportable innovation that we are currently using. That's news.

PROBLEMS FOR THE POOR

HON. WILLIAM J. MARTINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, December 22, 1995

Mr. MARTINI. Mr. Speaker, 30 years of ever-expanding and growing antipoverty programs have not erased poverty from our midst.

We have spent \$5 trillion trying to address this problem, yet the percentage of children living in poverty is unchanged from what it was in 1965.

Worse, we have seen illegitimate births more than quadruple, and have subsidized the rise of the single parent family in our country.

Today, nearly 30 percent of all births in our Nation are illegitimate.

In 1992, the Federal Government alone spent \$305 billion on 79 overlapping means-tested social welfare programs.

If we had spent just one-third of that in direct transfer payments to the poor, it would have been enough to lift each and every impoverished family over the poverty line.

But our problems still persist.

Some in Congress and the bureaucracy in Washington continue to insist that they know what the poor in our communities need.

For years they have been beholden to the ill-conceived notion that we can only consider ourselves a compassionate nation if Washington prescribes solutions to societal problems.

The resulting system has done worse than fail us.

It has betrayed us.

Something needs to change, but for years this body has been unwilling to address welfare reform.

And I understand why, Mr. Speaker.

Some Democrats in this Chamber have spent their careers constructing the American welfare state.

They have continually told us that more and more government will make it all better.

Now that it is obvious that their policies have failed, pride of authorship prohibits them from making the tough but necessary decisions to dismantle the system.

This is only natural, but it cannot be the excuse not to move this body forward.

Finally, Congress will send to the President that promised to "end welfare as we know it" a real, credible plan to do just that.

No longer will we entice illegal aliens across our borders with easily received welfare benefits.

No longer will the taxpayers pay to support addiction.

An no longer will Washington bureaucrats impose top-down solutions to problems they don't understand.

We will put an end to the big-government compassion that kills, and return a sense of responsibility, a sense of right and wrong, to the American social safety net.

I look forward to supporting the conference report on H.R. 4, and I urge every Member from both sides of the aisle to support it.

TRIBUTE TO OVETA CULP HOBBY

HON. EDDIE BERNICE JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, December 22, 1995

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I rise in remembrance of one of the great ladies of Texas, Mrs. Oveta Culp Hobby.

Oveta Culp Hobby witnessed and shaped major events in modern U.S. history. Her accomplishments as a public servant and businesswoman have always been the reasons that I have looked up to her, but often these accomplishments have been overlooked. This Texan's achievements have spanned the decades, but are known to a relative few. Most people remember Oveta Culp Hobby as the head of a powerful newspaper family and the wife of a Governor and the mother of a Lieutenant Governor.

Mrs. Hobby, however, was important in her own right. In an era where being a "first" was an unfair and unfortunate litmus test by which a woman's ability to succeed would be measured, she rose to the occasion by doing what she thought she should do—make her mark on the world.

Despite her contributions and her considerable financial assets, Oveta Culp Hobby was reluctant to dub herself powerful. She made her mark on the world by doing what she thought was right. She will be remembered by those of us who have looked to her as a mentor and a role model.

GOP WELFARE BILL SENDS
MILLIONS INTO POVERTY

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 22, 1995

Mr. STARK. Mr. Speaker, Christmas is the season when charity and compassion go public. The time period between Thanksgiving and Christmas is when the true spirit of giving comes into the open. Outside the grocery store you see the bell ringers. Each way you turn there is an open mind and an open heart.

Why do people care?

For one reason, the Bible says we should care for the poor. The Bible says:

If there is a poor man among your brothers in any of the towns of the land that the Lord your God is giving you, do not be hard hearted or tightfisted toward your poor brother. Rather be openhanded and freely lend him whatever he needs . . . Give generously to him and do so without a grudging heart. There will always be poor people in the land. Therefore I command you to be openhanded toward your brothers and toward the poor and needy in your land. (Deuteronomy, 15:7-11).

I believe that as a society, we should care for certain groups of people who can't care for themselves—the poor, the elderly, the disabled. It is simply the right thing to do.

What has happened since the Republican Party took control of this House? We have suddenly decided that these people can miraculously care for themselves. Even in Biblical times it was recognized that there will always be poor among us and that we should care from them generously. Why now have the Republicans decided to prioritize corporate and wealthy tax breaks above the poor?

The Republican welfare bill is frightening.

The bill denies guaranteed Medicaid coverage for children and parents receiving AFDC and for children receiving Federal foster care or adoption assistance under title IV-E of the Social Security Act. The welfare conference agreement could eliminate Medicaid eligibility for 1 to 2 million low-income children leaving millions more uninsured if Medicaid eligibility ends. Combined with other massive social service cuts, this is a tragedy waiting to happen.

The Republican budget cuts aid to severely disabled children by 25 percent, slashing \$12 billion from disabled children's SSI benefits. Over 160,000 children currently in the program would lose eligibility 1 year after enactment.

The Republicans claim they want to move people from welfare to work but fail to provide much needed child care.

The Republican bill denies SSI benefits and food stamps to legal immigrants, and permits States to deny legal immigrants cash welfare, Medicaid, and title X social services.

This punitive bill prohibits States from paying additional welfare benefits to families that have an additional child while on welfare. Don't they realize that the child is an innocent victim in this arrangement? The child did not ask to be born into such a family.

This bill pays a bounty to States that reduce their illegitimacy ratio or the number of children born out of wedlock. This provision will serve only to increase the number of abortions or to further restrict a woman's legal right to make her own reproductive health choices.

The bill does not reform welfare. It destroys the only safety net some people have on which to depend. At this time of holiday giving, we should remember those most in need; we should count our own blessings; and we should vote against this hard-hearted bill that will send millions further into poverty.