

the task force has been put together the last couple of years that 75 percent of the people they have tracked down had welfare cards. Seventy-five percent. They have no way to go and find out the information about what their current address is, what their Social Security number is, or even a photograph.

In Cleveland, the Fugitive Task Force ran a sting operation—one of these things where a person gets free things and they invite only certain people and they catch the folks who show up—33 percent of the people who showed up at this sting operation had welfare cards.

Again, because of court decisions and the Welfare Privacy Act, they had no way of contacting or getting this information from the welfare office.

People may say, "OK, these folks have welfare cards. But how many of them use their real name?" I asked that of the Philadelphia Fugitive Task Force. I said, "How many use their real name?" They laughed, and they said almost all of them use their real name and real Social Security number.

I said, "Well, why in the world would they do that?" The answer is, because they do not want to lose their benefits. They do not want to be accused of a welfare problem, and they can get in trouble for a whole bunch of other things, so they use their real name and real Social Security number so they can get the benefits. It is a very good source of the true name and the true Social Security number of people who are on the lam.

Now, what we have suggested in this legislation is to permit law enforcement agencies that have a fugitive warrant to be able to go to a welfare office and say "Look, we would like to know if John Doe is in your file and, if so, we would like the address of John Doe, we would like the Social Security number of John Doe, and we would like a photograph of John Doe."

People wonder why we need a photograph. In the original legislation I proposed in the House, I did not have "photograph." But the Fugitive Task Force in Philadelphia said this is very helpful information because a lot of times they have fugitives who are first-time felons, and they have absolutely no idea what they look like. So this gives a current picture to be able to track this person down. It is very helpful information.

Now, again, this is a bipartisan bill. There is bipartisan sponsorship on the bill here. We hope that this is a measure that can sail through the House, whether we do a welfare reform package or not, and it passes again, this is something we can do to eliminate a welfare problem that we know is occurring.

People who are fugitives are not permitted to be on welfare. Again, there is no way of checking that. And, number two, to give police officers the opportunity to track these people down and get better information.

There is another part of the bill I will briefly discuss, and that is another situation we found out about from our hearings on welfare in the last couple of years, which is the definition of what "temporarily absent" is from a home.

We have situations where we have parents who have children who are on AFDC, whose children end in jail for long periods of time, or run away from home for long periods of time, or are in detention, or a whole lot of other things, but they are out of the house.

If they are out of the house for any period of time the welfare benefit that goes with the child—that is where most of the welfare cash goes and other benefits go—should cease to the mother or the parents—not necessarily the mother.

There is no definition in most States as to what "temporarily absent" means, so we provide a definition of how long a child should be away from home to determine whether that person is temporarily absent, or in fact, permanently absent. If they are permanently absent, they lose their welfare benefits.

We have seen situations where parents have collected welfare benefits literally for years when kids are in jail, and they keep collecting the money, because the State has never determined what "temporarily absent" means. That, we believe, is an abuse that can be stopped.

Again, this provision had bipartisan support and we hope will be so supported here in the U.S. Senate.

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. KENNEDY. 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. KENNEDY. Mr. President, I ask unanimous consent to proceed as in morning business.

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

#### THE BILLIONAIRES' TAX LOOPHOLE

Mr. KENNEDY. Mr. President, I hope that we will soon be able to vote in the Senate on the unjustified tax loophole that exists for billionaires who renounce their American citizenship in order to avoid taxes on the wealth they have accumulated as Americans.

This reform was first proposed in President Clinton's budget on February 6. The Senate Finance Committee closed this loophole as part of its action on the bill to restore the health care deduction for small businesses.

The committee took this action to close the billionaires' loophole, despite the fact that the revenue gained was not needed to pay for the health care

deduction in the bill. In fact, the committee recommended that these revenues be used for deficit reduction. This is exactly the type of action necessary if we are serious about achieving a balanced budget.

According to the revenue estimates in the committee report, closing this loophole would raise \$1.4 billion over the next 5 years, and \$3.6 billion over the next 10 years. Clearly, substantial revenues are at stake.

Too often, we close tax loopholes only when we need to raise revenues to offset tax cuts. In this case, the committee closed this flagrant loophole as soon as it was brought to the committee's attention—and rightly so, because this loophole should be closed as soon as possible. The Senate bill did so, and all of us thought the issue was settled.

Yet the legislation came back to us from the Senate-House conference, and the loophole had reappeared. This outrageous tax break for two dozen or so of the wealthiest individuals in the country will remain open.

We have been told that the loophole was preserved because of unanswered questions about whether closing it would violate U.S. and international laws on human rights. But it certainly does not. All citizens of the United States have a basic right to leave the country, live elsewhere, and relinquish their citizenship.

Any and every citizen surely has the right to repatriate. Closing the loophole would not prevent any individuals from shifting their assets and their citizenship to a foreign country. Rather, it would just make sure that those who have amassed great wealth through the U.S. economic system pay their fair share of taxes, as the rest of us do. It is a provision which a dozen other countries have enacted for the same reasons.

Prof. Detlev Vagts of the Harvard Law School has said,

The proposed tax does not amount to such a burden upon the right of repatriation as to constitute a violation of either international law or American constitutional law. It merely equalizes over the long run certain tax burdens as between those who remain subject to U.S. tax when they realize upon certain gains and those who abandon their citizenship while the property remains unsold.

Andreas Lowenfeld, a professor of international law at NYU said,

I am confident that neither adoption nor enforcement of the provision in question would violate any obligation of the United States or any applicable principles of international law.

Michael Matheson, a legal advisor at the State Department said;

This provision does not conflict with international human rights law concerning an individual's right to freely emigrate from his or her country of citizenship . . . a state, in order to protect its interests, may impose economic controls on departure as long as such controls do not result in a de facto denial of an individual's right to emigrate . . . These are comparable taxes to those which U.S. citizens or permanent residents would have to pay were they in the United States

at the time they disposed of the assets or at their death.

Clearly, there is ample support in U.S. law and international law for closing this loophole. Yet, the provision was dropped in conference.

This is all happening, of course, at the same time that we are cutting Federal funds for basic investments in the future of children, students, and working families. Funds for school lunches, education, housing, and other vital social services are all being drastically cut, at the very time our Republican colleagues have decided that this tax break is not flagrant enough to be terminated immediately.

In fact, the conference report on this tax legislation was called up for debate last Friday, just as the Senate was beginning debate on our Democratic amendment to restore some of the harshest cuts in the pending appropriations bill.

Our Democratic amendment contained several key provisions:

We wanted to restore nearly \$800 million in cuts in housing programs and in job training programs for young Americans.

We wanted to restore \$210 million in cuts in the program to encourage young Americans to participate in national and community services.

We wanted to restore \$100 million in cuts from the drug-free schools program.

We wanted to restore \$72 million in cuts from education programs for disadvantaged students.

We wanted to restore \$67 million in cuts from the Goals 2000 program for local school reforms.

We wanted to restore \$42 million in cuts from Head Start, and \$35 million in cuts from nutrition programs for expectant mothers and infants.

The contrast in priorities is impossible to ignore. Give every benefit of the doubt to tax loopholes for a few billionaires. Rush to enact spending cuts that jeopardize education, nutrition, and job training for large numbers of children, students and working families.

Yet when it comes to closing a totally unjustified tax loophole used by wealthy citizens who renounce their citizenship to avoid taxes, House Republicans say, "Go slow; this needs more study; we shouldn't act in haste; perhaps this loophole has some merit we don't know about."

Nonsense. I wish that our colleagues would show as much solicitude for millions of deserving Americans struggling to make ends meet, as they are now showing for a handful of undeserving billionaires willing to insult America to evade their fair share of taxes.

This amendment will put the Senate squarely on record in favor of closing this gaping loophole in our tax laws. The amendment has two clear provisions:

The first subsection states the Sense of the Senate that Congress should act

as quickly as possible to amend the Internal Revenue Code to close this loophole.

The second subsection makes clear that the effective date of any such action should be February 6, 1995.

The February 6 date is the effective date in the original Senate Finance Committee amendment, and it is also the date of the original proposal by President Clinton to close this loophole.

Clearly, everyone has been on notice since February 6 that this loophole is likely to be closed. It would be unconscionable for anyone in Congress to attempt to delay the effective date to enable a few more wealthy Americans to squirm through this notorious loophole before it finally snaps shut.

Finally, all of us must be vigilant as well to see that this important reform is not watered down behind closed doors before it reappears in its next incarnation.

We know what happened last time. We know that the smartest tax lawyers money can buy will be quietly undermining this reform in any way they can, in order to salvage as much of this billionaires' loophole as possible.

Two good measures of the seriousness with which Congress resists that special interest pressure will be maintaining the effective date of February 6, and maintaining the revenue gain anticipated from the provision in the Finance Committee bill.

Obviously, the revenue estimates may be refined as the Joint Tax Committee and the Treasury Department obtain more information on this insidious tax avoidance practice. But refining the estimates is not the same as reducing them because the reform has been weakened.

A useful measure of the strength of this reform is contained in a comparison of the revenue estimates prepared by the Treasury for the President's February 6 budget, and by the Joint Tax Committee for the Senate Finance Committee's report on March 20 on H.R. 831, the small business tax bill. I ask unanimous consent that a table containing those revenue estimates may be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE.—REVENUE ESTIMATES FROM CLOSING THE BILLIONAIRES' TAX LOOPHOLE  
(Dollars in millions)

Year	Revenue gain	
	President Clinton's budget	Senate Finance Committee report on H.R. 831 <sup>1</sup>
1995 .....	\$0	\$47
1996 .....	60	144
1997 .....	200	197
1998 .....	300	257
1999 .....	410	322
2000 .....	530	392
1995-2000 .....	1,500	1,359
2001-2005 .....	( <sup>2</sup> )	2,274
1995-2005 .....	( <sup>2</sup> )	3,633

<sup>1</sup> Estimates based on "modified version of administration's revenue proposal."

<sup>2</sup> Estimate not provided.

Mr. President, it basically summarizes on the revenue gain under President Clinton's budget submission from 1995 to the year 2000 some \$1.5 billion. The Senate Finance Committee is \$1.359 billion, and then the Senate Finance Committee goes on from 1995 to the year 2005 to be \$3.6 billion.

Although the committee's revenue estimates are based on a modified version of the administration's proposed reform, the estimates are generally similar, and the total revenue gains in the two estimates for the period 1995-2000 are within about 10 percent of each other. Clearly, it is reasonable to expect that at least this much revenue will be gained by closing this loophole.

The most significant difference between President Clinton's proposal and the Finance Committee bill is that President Clinton's proposal would close the loophole not only for U.S. citizens, but also for wealthy resident aliens who renounce their residency status and leave the country to avoid taxes.

The Senate Finance Committee proposal closes the loophole only for U.S. citizens. There is no obvious reason why the loophole should be closed for one type of billionaire and not the other. They have amassed great wealth in America, and they should not be permitted to escape their fair share of taxes by renouncing America. It is time to close this loophole tight—no ifs, ands, or buts, and no escape hatch- es for anyone.

I urge the Senate to approve this amendment, and to send a clear, simple message once and for all to any wealthy tax-dodgers who are scheming to renounce America—"Good riddance, but you can't take it with you!"

Just a final two thoughts. As I mentioned during my brief remarks, this debate is coming at a time when the minority leader is attempting to restore the cuts under the rescissions. That means that these moneys have already been appropriated. The Appropriations Committee has made a recommendation. It has perceived that we are going to cut the Voluntary Community Service Program, and the Drug Free Schools Program, which is so important to our young people. It also includes funding for safety in our schools.

As I mentioned on previous occasions, we have had long and good debates with good bipartisan support. We are trying to do something about the increasing incidence of violence that is taking place in our schools. We are attempting to restore some \$100 million to the program that will help and assist schools at the local level to deal with the problems of violence and substance abuse in their schools.

Title I of the education bill, which was debated here, and has strong bipartisan support—try to bring some focus and attention to disadvantaged children by providing extra help and assistance to them—we have changed that program, is a good program with

strong bipartisan support. We want to make sure that the funding for that program that was included in last year and which local school districts have been depending on will not be pulled out from underneath those young children.

The Goals 2000—again with bipartisan support—each 5 percent of this money, or \$67 million, will actually go to the local school districts which are interested in reform; strengthening the academic achievements and accomplishments of young Americans. It has the broad support of the education community and of the parents, teachers, the business community that are in support of the Goals 2000 program.

The Head Start Program, which we revamped and rechartered just over in the last Congress, and had strong bipartisan support, virtually unanimously reported out of our committee and the strong support in appropriating the funds, this represents about a quarter of a reduction in the increases for the Head Start Program. Only about 38 percent of all of our young people get any Head Start Program. We extended the Head Start Program from zero to four to recognize that the recommendations of the Carnegie Commission report that talked about the importance for the nurturing and nutrition, particularly in the early years, and the relationship between that kind of a tension and the academic achievement of children. Now, as is increasingly apparent, we need the kind of support that Head Start provides for that early intervention. We have responded to it. There are school districts all over the country that are depending upon that funding. We should not pull the rug out from the Head Start Program.

The Women, Infants, and Children's program, the \$35 million for expectant mothers that do not have the financial resources to get the adequate nutrition to make sure that we are going to have healthy babies, this program has been tried, tested and reviewed. It should not be cut back.

The School-to-Work program, where we have seen a new basis of trying to do something for the 70 percent of our young people that do not go on to higher education. They are the ones who have been too often left out and left behind. We have a good program that again has bipartisan support. This program will be reshaped and adjusted under the leadership of Senator KASSEBAUM and others to be a basis for the whole youth training program. We should not abandon that program.

The child care program, a modest program that only addresses about 4 or 5 percent of the total needs of child care for working families, working mothers primarily, we should not deny that kind of very important support system for working mothers, particularly those that are in the entry-level jobs and the modest income. We know that child care takes up anywhere from a quarter to a third of the income for

working mothers. This provided some help and assistance on the basis of need for mothers primarily, but also for single fathers, primarily for single mothers so that they can go out and work and be a part of our whole economic system.

The other programs we have referred to in terms of housing and the youth training are mentioned here.

These are all worthwhile programs that have been tried, tested and evaluated, and in which the local communities—primarily the teachers, the parents, the students—have been depending upon for support. We want to restore education and children's programs.

Against that, Mr. President, we have \$1.4 billion that otherwise would be regained for the Federal Treasury, \$3.6 billion over a period of 10 years. It is extraordinary to me that, if we are attempting to try to represent the best of what is in the interest of the working families in our society, it is such a compelling case for the support for these programs and such a compelling case to capture the legitimate responsible resources that should be paid in by these billionaires, it is amazing that we have to spend the amount of time that we have had to to get a favorable vote on the Daschle amendment or to get the vote on the billionaire tax break. We have been trying since last Friday to get a vote on that billionaire tax break. We have worked out a procedure by which we will be able to, after we conclude to vote on matters which have been described as at the majority leader's request. This issue is not going to go away. We are going to get a vote on this measure. They may be able to frustrate us by 1 day or a few hours. But we will yet get a vote on that. I hope it will be overwhelming. I hope it will be unanimous. The majority leader has indicated his support for that program, the chairman of the Finance Committee, and Senator MOYNIHAN has indicated his strong support, Senator BRADLEY, and others.

There is no reason in the world why we cannot send the message to the House, which evidently is the reluctant partner in this proposal, that the Senate of the United States is virtually unanimous in support of this proposal. We need to do that. I hope we have the earliest opportunity to do so.

Mr. President, I am sure the American people are wondering why we cannot take action on that particular proposal. I am sure they are wondering why the proposal was dropped in the conference in any event. But they understand what is the issue before us, and hopefully we can have clear, resounding, overwhelming support, hopefully universal support, for that particular proposal.

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

The PRESIDING OFFICER (Mr. ABRAHAM). Without objection, it is so ordered.

Mr. SANTORUM. I ask unanimous consent to speak as if in morning business.

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

Mr. SANTORUM. I thank the Chair.

#### NO ACTION IN THE SENATE

Mr. SANTORUM. Mr. President, we are waiting around. Probably lots of people are wondering what we are doing while the House of Representatives is storming along at a rapid pace, accomplishing an enormous amount of work here in the first 100 days. They are over there right now trying to pass a tax bill—a tax-cut bill, not a tax increase. You get a tax bill around here and you think to reach for your pocket. No, this is a tax-cut bill.

I actually wonder why the people are here. The action is over there. The action is not here. We are waiting here. We are waiting and waiting and waiting and waiting. What are we waiting for? We are waiting to hear from the leaders on the Democratic side as to how much more money they want to spend this year—not how we can get to a balanced budget but how much more money they want to pack into this appropriations bill, not how we are going to get the budget down to zero but how much more we are going to spend this year.

And I can say that I speak for a large body of people on this side of the aisle who question the sincerity of folks who during the balanced budget debate got up and said, "I'm for a balanced budget. I am just not for a constitutional amendment to balance the budget. But I am for a balanced budget. We have the power to make these tough decisions. We have it right now. The power is within us. We can do it. We do not need some phony baloney constitutional amendment to get us to face the tough decisions of getting this country back on track. We can do it."

And so they used that argument and the phony baloney about Social Security to oppose the balanced budget amendment. Well, as a sports announcer in Pittsburgh likes to say, "The turkey is on the table." Right here is a spending cut proposal, a proposal that funds California disaster relief assistance that they need but makes further rescissions, cuts in spending, for this fiscal year and next fiscal year.

So what do we see? We have seen for the past 2 weeks a filibuster. Oh, no, you will not see it called that in the national media. They would not dare call anything that the other side of the aisle is doing a dilatory tactic. They are delaying and delaying and delaying so we do not get this bill passed. This