

Encouraging individual contributions to Federal candidates is one of the best ways to eliminate the advantages of incumbency. In a recent study, Dr. Gary Jacobsen, a political science professor who specializes in the American campaign system at the University of California, San Diego, found that the positive effect of increased expenditures on behalf of incumbents was low to nonexistent, while the positive effect of increased challenger spending was enormous. It was no coincidence that, in the last election, all of the incumbent Senators who spent less than the limits set in the so-called McCain-Feingold bill won their races, and the challengers who spent less than the limits lost. Incumbents have free mail privileges, paid staff and the ability to generate press coverage. For challengers, additional campaign contributions are the only equalizer to those inherent advantages.

I would also note, Mr. Speaker, that the FEC has become ineffective in its responsibilities to enforce our campaign finance laws. Frequently, the FEC takes an excessively long time to file a complaint against candidates or parties who violate campaign finance laws.

For example, last month the FEC filed suit against the California Democratic Party for violations of election laws in the 1992 election. Five years after the alleged violations, the FEC is finally getting around to prosecuting those who broke the law. The American public cannot rely on the FEC to prosecute violations 5 years after the fact. Certainly, the FEC cannot turn back the clock and redo the 1992 elections. The FEC can only ask for a monetary fine, which would be a small price to pay for winning the Presidency and two Senate seats.

Many other experts in campaign finance reform have suggested that the FEC is not capable of handling its enforcement authorities. In a 1989 report, common cause suggested, "the best \* \* \* remedy may be to abolish the FEC altogether." While the Voter Empowerment Act does not pursue that goal, it does transfer the FEC's enforcement authority to the Department of Justice. The Attorney General would have the latitude to design and develop the campaign finance enforcement division. The task of establishing a new office to enforce campaign finance laws would not be impossible for the Justice Department. In the past, the Attorney General has been given the responsibility to create new offices within the Department of Justice. Three years ago, she formed a new office comprised of lawyers from different departments to compensate citizens who were exposed to nuclear testing.

Without its enforcement powers, the new FEC would be free to focus exclusively on those duties for which it was originally created. That is to facilitate disclosure and providing contribution and expenditure information to voters. With this limited responsibility, my legislation reduces the number of Commissioners from 6 to 2, with their terms staggered and limited to two full terms. In addition, the FEC would be required to work with the Justice Department in the development of new regulations, and would have to publish a compilation of advisory opinions with an index and publish names of candidates and committees who have accepted illegal contributions.

Finally, my legislation eliminates the Presidential Election Campaign Fund and tax checkoff. Thomas Jefferson wrote, "To compel

a man to furnish contributions of money for the propagation of opinions which he disbelieves, is sinful and tyrannical." The Presidential Election Campaign Fund forces Americans to give their tax dollars to campaigns which they may not agree, and most Americans have not been supportive of the tax checkoff and campaign fund. Since 1981, the participation in the tax checkoff program has declined quite steadily. The repeal of taxpayer subsidies for Presidential candidates is what the American people want and it is long overdue.

Mr. Speaker, over 50 bills have been introduced to change the campaign finance system in this country. While we all agree that change is necessary and improvements are possible, I believe the Voter Empowerment Act offers a more reasonable approach to improving our campaign finance system without undermining public participation in our electoral process. I urge my colleagues to join with me in cosponsoring this legislation.

#### DESECRATION OF GOLDEN TEMPLE SHOWS INDIAN DEMOCRACY IS A FRAUD

#### HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1997

Mr. TOWNS. Mr. Speaker, I rise today to remember a tragic chapter in history, India's 1984 desecration of the Golden Temple in Amritsar, the highest shrine of the Sikh Nation. From June 3 through June 6 of that year, the Golden Temple and 38 other Sikh temples were subjected to the kind of military assault which would have stirred the world's outrage if it had occurred at the Vatican or Mecca. More than 20,000 Sikhs died at the hands of the Indian regime in these attacks. Yet the world hardly noticed.

On this sad anniversary, the Indian regime maintains police surveillance at the Golden Temple for no purpose other than to harass Sikhs who seek to worship at their holiest shrine. The newly elected Chief Minister of Punjab, Parkash Singh Badal, promised during his campaign that he would remove this intrusive, authoritarian presence. That pledge has not been carried out. There could be no more appropriate way to observe the anniversary of the Golden Temple massacre than for Chief Minister Badal to reiterate his order to remove the security forces and fire any officials who defy this order. If he cannot or will not do so, then we will be forced to conclude that the Punjab elections were a sham and the new government has no power. This will show that India's repression of the Sikhs in Punjab, Khalistan is just as tight as it ever was.

In this context, the Sikh Nation's demand for freedom is more urgent than ever. As many of us have pointed out, the Sikh Nation declared its independence on October 7, 1987. They called their new country Khalistan. The United States should go on record in support of freedom for Khalistan. If India is truly the democracy it claims to be, it should hold a plebiscite in occupied Khalistan to let the Sikh Nation decide its own political future. It should also end its campaign of ethnic cleansing against the Sikhs and other peoples of South Asia, such as the Muslims of Kashmir, the Chris-

tians of Nagaland, the Assamese, Manipuris, Tamils, and the aboriginal people of South Asia, the Dalits—also known as the untouchables.

If India is unwilling to do these few, simple things then it will prove once and for all that all of India's claims that it is the world's largest democracy are a cruel hoax. It will show the world that in reality, India is one of the world's most tyrannical police states.

The United States can and should encourage India to take these steps for freedom in the subcontinent. We can raise our voice on behalf of freedom by declaring our support for an independent Khalistan, cutting off U.S. aid to India, and hitting this repressive regime with an embargo similar to the one that helped bring down apartheid in South Africa. By these modest measures, we can help end the repression in South Asia so that the subcontinent can have a new birth of freedom. That is the best way to ensure peace, prosperity, and stability in this unhappy region. Let us honor the struggle of the Sikh Nation on this terrible anniversary by initiating these policies today.

#### LET'S HELP AND NOT HINDER SMALL BUSINESS

#### HON. JOSEPH R. PITTS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1997

Mr. PITTS. Mr. Speaker, during Small Business Week, I stand here to pay tribute to the engines of our economy—those small businesses across the country which provide goods and services—and most importantly jobs—to the American people.

I am here today to implore my colleagues to recognize how small businesses are improving our economy.

And I implore my colleagues to recognize that these job creators are being hassled and regulated by a Federal Government which has no regard for how much small businesses drive this Nation.

Mr. Speaker, small businesses account for 99.7 percent of the Nation's employers.

They employ 53 percent of the private work force, and they contribute 47 percent of all sales in the country.

In fact, small businesses are responsible for 50 percent of the private GDP of this country.

Yet, the small business owners of this Nation face a tax system and regulatory burdens which limit growth and discourage development.

If Government is meant to be the servant of the people, our current tax and regulatory systems are certainly not assisting our Nation's small businesses.

Even with the legislation Congress has passed to help small business get out from under the thumb of the Federal Government, more assaults are now being urged by the Clinton administration.

With such economic and growth potential within small businesses across this country, we should be doing all we can to assist them.

We must act as their servants—instead of hindering their progress.

They need relief from encumbering taxes and from job-killing regulation.

For starters—we could repeal an unfair estate tax which targets the very families and

small businesses which are creating employment in their communities.

Because of this tax, millions of small business owners are in jeopardy of losing the businesses which they have spent their entire lives building.

Under this oppressive IRS Code, someone can work a lifetime—and the moment they die, so could all the jobs of the people who work for them.

Mr. Speaker, Ron Hill of Lancaster, PA is an entrepreneur.

He has spent a lifetime building a healthy business and generating jobs.

The state of his company has a direct effect on 35 families.

Is it justifiable that individuals like Ron Hill must worry that when he dies—his family won't be able to pay the hefty estate tax—and so the jobs of his employees will be in jeopardy.

For too long, the estate tax—in order to raise just 1 percent of total Federal revenues—has been burdening the people of this country with the increased cost of capital and stifled economic growth and higher interest rates.

Even though our budget agreement takes a step in the right direction by raising the ceiling on the taxed amount—we should not end there.

If the tax were repealed this year, the Nation's economy would increase by as much as \$100 billion over the next 9 years.

This extra capital would also allow an average of 145,000 additional new jobs per year to be created.

Personal income would rise above current projections by an average of \$8 billion per year.

Most importantly, small business owners in this country would be encouraged, and not discouraged, as they work hard to pass on an enterprise of value to their children.

We must not stop until this tax is repealed.

Another effort that the Federal Government can undertake to assist small businesses is to keep damaging and unnecessary regulations off their backs.

In November of last year, the Environmental Protection Agency proposed harsh new national Air Quality Standards.

Since then, there has been significant outcry over these regulations.

While the EPA is required to review standards every 5 years, they are not required to change them without sufficient proof of the benefit to public health.

It would be extremely difficult for the EPA to justify an additional \$10 billion plus annual price tag for the American people if these new regulations go into effect.

This costly unfunded mandate will force many small businesses to close their doors—small businesses like dry cleaners, bakeries, and printers.

Mr. Speaker, I recently held a forum for small business leaders of the 16th Congressional District.

Small business representatives such as Carol Hess of Lancaster Labs, Andy Cuiffetelli of Custom Casings, and Howard Winey of Martin Limestone—each can tell a story of hardship caused to their growing businesses because of these regulations.

Not only do these companies deal with multiple permits from the Pennsylvania and the Federal Environmental Departments, but ex-

panded regulations mean businesses spend time trying to bend over backwards to comply with Federal regulations.

This translates into an entire year's worth of capital spending which would otherwise go to improving quality and making businesses more competitive.

In the words of Howard Winey of Martin Limestone, "ours is a progressive area and one of the only areas of Pennsylvania that has sustained growth. If our growth is inhibited, everyone suffers."

We cannot afford to do this to our communities.

Yes, we must all support enhancing the quality of life—but this regulation solves no legitimate public health hazard.

These EPA regulations are bad science and bad for business.

Another important workplace issue to small businesses is allowing small business owners to deduct 100 percent of their health insurance costs when they fill out their tax returns.

Start-up and maintenance costs are far and above some of the toughest costs to overcome.

It is patently unfair that large corporations can deduct 100 percent of their share of employees' health-care costs while the self-employed farmer or home business owner can only deduct 40. Even though last year's bill increased the deductibility to 80 percent by 2006, that is not good enough.

Small business owners need a level playing field to assist their growth.

Additionally Mr. Speaker, 14 million Americans now operate home-based businesses.

Because of corporate downsizing, improvements in technology, and a desire to be close to family—individuals choose to work from home.

Tax equity between those who work from home and those who rent office space—and can deduct the costs of renting—is a reasonable request and should be allowed.

Mr. Speaker, I have listed just a few of the regulatory and tax relief measures which could go a long way in helping small businesses of this country to grow even faster and stronger than they are today.

It is these businesses which carry a large portion of the load for our Nation's economy.

We, here in Congress, have a responsibility to lighten their load—and help them along the road to economic prosperity—for their businesses and for our communities.

I salute the small business owners of America.

We must pledge to work to ease their burden.

I now yield back the balance of my time.

#### STATEMENT BY SPENCER CRISPE, BRATTLEBORO HIGH SCHOOL, REGARDING EDUCATION FUND- ING AND TAX REFORM

**HON. BERNARD SANDERS**

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, June 4, 1997*

Mr. SANDERS. Mr. Speaker, for the benefit of my colleagues I would like to have printed in the RECORD this statement by a high school student from Brattleboro High School in Vermont, who was speaking at my recent town meeting on issues facing young people.

Mr. CRISPE. Hello, Congressman Sanders. On February 6th the state Supreme Court ruled on the Brigham vs State of Vermont case claiming there is a statistically significant relationship between the wealth of a school district and its spending per student. They decided that there is a great disparity in the quality of education that a student in Vermont receives. It depends on where he or she resides; thus they ruled the current property tax for funding education is unconstitutional and it is up to the legislature to overhaul this unjust system.

The House Ways and Means Committee set to work and on March 19th of this year the legislature passed the controversial House Bill, 527 for property tax reform. I am a concerned Vermonter and so I want to see this new bill equalize educational opportunity.

The bill which the Senate is currently reviewing I believe to be better. I also understand that property tax reform is a tedious, confusing, and almost insurmountable task that legislatures have faced, and for me to try to understand how to make the bill better is even more difficult. However, I do believe there are some important additions that could be made.

There is a large, non-residential tax rate for second homeowners and large businesses of \$1.32 per \$100 value of property. Under this progressive tax formula people will pay based on their ability. Places like ski areas and second homeowners in Vermont will pay more while residential property taxes will be cut by two-thirds. I believe the higher income earners should pay more; however, in Vermont the highest income earners are already paying the highest rates in the country.

The high non-residential tax could drive out businesses and hurt Vermont's largest industry, tourism. For a hypothetical example, Mt. Snow Ski Area has lots of money, but if it is taxed a lot more the ticket prices could go up and tourists refusing to pay the exorbitant amount will to Maine or New Hampshire to ski. All in all, it could create a cyclical domino effect that would end up hurting Vermont's economy and stunt its growth.

Furthermore, second homeowners in Vermont will be hit hard under the non-residential tax. I feel they should pay more, but we should keep in mind that many of them are already paying for their own children's education in their respective states. We should not place a burden so high that they move away or our state is less attractive to stay in. It is important that income earners at all levels pay their fair share, but the non-residential range should not be so high as to end up damaging Vermont's economy by making it unreachable to outsiders.

Also in the bill is the net residential tax of two acres of land. Basically any resident will pay the residential rate of 39 cents per \$100 property value on up to two acres of land. After that two acres, they pay the large non-residential rate of \$1.32 per hundred dollar value. This is unfair to Vermonters because two acres is a meager amount of land to only be able to afford. If people have to get rid of their land over two acres because they cannot afford the non-residential rate, we will not be using our land effectively and it is simply unfair.

Another last thing to think about is the local income tax. This would be the third tax Vermonters pay: State, federal, local. We want to equalize education but we are doing it at the local level with the presumption that the towns are going to tax themselves to raise money above the state block grant. This may be a poor presumption because honestly people care about education but gag when they hear anything about more taxes. If this presumption fails and the towns do