

Over 130 units representing all the various infantry, cavalry, artillery, artificers, and musicians of the war, will recreate the military tactics and maneuvers of the battle in painstakingly reproduced clothing, weapons, and gear. This will be a truly amazing spectacle, and one that brings the rich history of Ridgefield, and Connecticut, alive.

Ridgefielders are justly proud of their heritage, and I commend them for organizing this truly remarkable historic celebration. What began as a small farming town in the 1700's grew to become a weekend retreat for New Yorkers in the 1900's, and is now a vibrant town of 23,000. Historic Town Street, now called Main Street, still houses small shops and restaurants, and signs mark the locations of the key points of this exciting battle, while the world-renowned Aldrich Museum of Contemporary Art looks forward to the future. Connecticut is fortunate to be home to such rich cultural treasures as the town of Ridgefield, and I would like to take this opportunity to publicly express my commendation for this weekend's activities.●

#### LOCAL LAW ENFORCEMENT ACT OF 2001

● Mr. SMITH of Oregon. Mr. President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY in March of last year. The Local Law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred December 25, 1995 in San Diego, CA. Six patrons at a gay bar were beaten with pool sticks. The attackers, three men, were heard to yell anti-gay epithets.

I believe that government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.●

#### MESSAGE FROM THE HOUSE

At 12:22 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bill in which it requests the concurrence of the Senate:

H.R. 3231. An act to replace the Immigration and Naturalization Service with the Office of the Associate Attorney General for Immigration Affairs, the Bureau of Citizenship and Immigration Services, and the Bureau of Immigration Enforcement, and for other purposes.

#### MEASURES REFERRED

The following bill was read the first and the second times by unanimous consent, and referred as indicated:

H.R. 3231. An act to replace the Immigration and Naturalization Service with the Office of the Associate Attorney General for Immigration Affairs, the Bureau of Citizenship and Immigration Services, and the Bureau of Immigration Enforcement, and for other purposes; to the Committee on the Judiciary.

#### INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mrs. FEINSTEIN:

S. 2336. A bill to provide for the reliquidation of certain steel wire rope entires; to the Committee on Finance.

By Mr. CLELAND:

S. 2337. A bill to reduce temporarily the duty on certain textile machinery; to the Committee on Finance.

By Mr. CLELAND:

S. 2338. A bill to suspend temporarily the duty on certain textile machinery; to the Committee on Finance.

By Mr. KERRY:

S. 2339. A bill to amend the Internal Revenue Code of 1986 to curb tax abuses by disallowing tax benefits claimed to arise from transactions without substantial economic substance, to curb tax abuses involving identified tax havens, and for other purposes; to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2340. A bill to suspend temporarily the duty on Methyl Cinnamate (methyl-3-phenylpropenoate); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2341. A bill to suspend temporarily the duty on Allyl Cyclo Hexyl Propionate (Allyl hexahydro phenylpropionate); to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2342. A bill to suspend temporarily the duty on Polydimethylsiloxane; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2343. A bill to suspend temporarily the duty on Baysilone Fluid; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2344. A bill to suspend temporarily the duty on P-Nitro Toluene-O-Sulfonic Acid; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2345. A bill to suspend temporarily the duty on Fluorobenzene; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2346. A bill to extend the temporary suspension of duty with respect to meta-Chlorobenzaldehyde; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2347. A bill to extend the temporary suspension of duty with respect to 2, 6, Dichlorotoluene; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2348. A bill to extend the temporary suspension of duty with respect to 4-bromo-2-fluoroacetanilide; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2349. A bill to suspend temporarily the duty on Methoxy acetic acid; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2350. A bill to extend the temporary suspension of duty with respect to Propiophenone; to the Committee on Finance.

By Mr. THURMOND:

S. 2351. A bill to suspend temporarily the duty on Ethanediamide, N-(2-ethoxyphenyl)-N'-(4-isodecylphenyl)-; to the Committee on Finance.

By Mr. THURMOND:

S. 2352. A bill to suspend temporarily the duty on 1-Acetyl-4-(3-Dodecyl-2), 5-Dioxo-1-Pyrrolidinyl-2,2,6,6-Tetramethyl-Piperidine; to the Committee on Finance.

By Mr. THURMOND:

S. 2353. A bill to suspend temporarily the duty on Aryl phosphonite; to the Committee on Finance.

By Mr. THURMOND:

S. 2354. A bill to suspend temporarily the duty on Mono octyl malionate; to the Committee on Finance.

By Mr. THURMOND:

S. 2355. A bill to suspend temporarily the duty on 3,6,9-Trioxaundecanedioic acid; to the Committee on Finance.

By Mr. THURMOND:

S. 2356. A bill to suspend temporarily the duty on Crotonic acid; to the Committee on Finance.

By Mr. THURMOND:

S. 2357. A bill to suspend temporarily the duty on 1,3-Benzenedicarboxamide, N, N'-Bis (2,2,6,6-tetramethyl-4-piperidinyl)-; to the Committee on Finance.

By Mr. THURMOND:

S. 2358. A bill to suspend temporarily the duty on 3-Dodecyl-2,2,6,6-tetramethyl-4-piperidinyl-2,5-pyrrolidinedione; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2359. A bill to suspend temporarily the duty with respect to Oxalic Anilide; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2360. A bill to suspend temporarily the duty on Reduced Vat Blue 43; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2361. A bill to suspend temporarily the duty on N-Methyl diisopropanolamine; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2362. A bill to suspend temporarily the duty on Sulfur Black 1; to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2363. A bill to suspend temporarily the duty on Phenyl Propyl Alcohol (Benzyl ethyl alcohol); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2364. A bill to suspend temporarily the duty on Benzyl Cinnamate (Benzyl beta phenylacrylate); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2365. A bill to suspend temporarily the duty on Thymol (alpha-Cymophenol); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2366. A bill to suspend temporarily the duty on Methyl Acetophenone-para (Melilot); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2367. A bill to suspend temporarily the duty on Frescolate (5-Methyl 2-(methylethyl)cyclohexyl alpha-hydroxypropanoate); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2368. A bill to suspend temporarily the duty on Trimethyl Cyclo Hexanol (1-Methyl-3,3-dimethylcyclohexanol-5); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2369. A bill to suspend temporarily the duty on Allinat (Allyl isosulfocyanate); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2370. A bill to suspend temporarily the duty on Acetanisoole (Anisyl Methyl Ketone); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2371. A bill to suspend temporarily the duty on NeoHeliopan MA (Menthyl Anthranilate); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2372. A bill to suspend temporarily the duty on Majantol (2,2-Dimethyl-3-(3-methylphenyl)propanol); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2373. A bill to suspend temporarily the duty on Agrumex (o-t-Butyl cyclohexanol); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2374. A bill to suspend temporarily the duty on Globanone (Cyclohexadec-8-en-1-one) (CHD); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2375. A bill to suspend temporarily the duty on Benzyl Acetone (Methyl-phenylethyl ketone); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2376. A bill to suspend temporarily the duty on Sodium Methylate Powder (Na Methylate Powder); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2377. A bill to suspend temporarily the duty on NeoHeliopan Hydro (2-Phenylbenzimidazole-5-sulfonic acid); to the Committee on Finance.

#### STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. KERRY:

S. 2339. A bill to amend the Internal Revenue Code of 1986 to curb tax abuses by disallowing tax benefits claimed to arise from transactions without substantial economic substance, to curb tax abuses involving identified tax havens, and for other purposes; to the Committee on Finance.

• Mr. KERRY. Mr. President, the recent demise of Enron Corporation has generated national attention and shed light on an alarming trend. A growing number of corporations and individuals are exploiting tax havens in the Caribbean and elsewhere to evade and avoid paying taxes.

Often cloaked in a web of bank secrecy and taxpayer privacy, businesses and individuals operating in offshore

financial centers create sham corporations and partnerships. By sheltering tax-dodgers and tax cheats, these overseas tax havens undermine confidence and trust in our Federal Government. The spread of illegal tax haven activity punishes those who play by the rules. The end result is higher taxes on the little guy—those who comply with the law. They are stuck paying the tab, forced to make up for the lost revenue through unnecessarily high taxes.

The vast majority of American businesses and individuals do not engage in abusive tax schemes. These taxpayers' activities will be unaffected by the Tax Haven and Abusive Tax Shelter Reform Act of 2002. The legislation will not stand in the way of legitimate tax planning and business activity. However, the bill will create real consequences for those individuals who flout the law, and those businesses who engage in transactions with no real business purpose other than generating artificial losses and deductions.

The exact details of Enron's tax avoidance practices are still under investigation by the Senate Finance Committee. What we do know is the energy conglomerate held over 800 subsidiaries in tax haven jurisdictions. Enron created 692 subsidiaries in the Cayman Islands alone. Through the use of sophisticated financial instruments, at least one analyst estimates Enron was able to avoid income taxes in four of the last five years.

Enron is not alone. The use of offshore tax havens by corporations and wealthy individuals is widespread. Through accounting tricks and tax loopholes, large companies not only avoid corporate income taxes, they claim sizable tax refunds. In a typical example, a corporation establishes a foreign subsidiary not subject to American taxes, shifts profits to the subsidiary which then sends them back to the parent corporation in a form that is considered not taxable under U.S. law.

While some corporations use loopholes to skirt the edges of the law, other individuals use tax havens outright illegally. The Internet has simplified the process of launching a corporation or opening an account offshore. While Americans are taxed on their worldwide earnings, individuals operating in offshore financial centers gamble that the IRS will never uncover their overseas income.

Taxpayers select tax havens because they offer little or no taxation on income in their jurisdiction and have privacy rules that help taxpayers hide what they are doing. Once the transfers are established, income is often repatriated back to the U.S. owners through loans, credit cards, or debit cards. By using complex transactions and multiple entities, the individuals using these schemes hide their income and avoid potential tax liabilities.

The scope of the problem is daunting. Assets in offshore entities have climbed from an estimated \$200 billion

in 1983, to an estimated \$5 trillion today. One private sector estimate suggests the use of tax havens to illegally shelter income results in the loss of \$70 billion annually. The IRS estimates that in tax year 2000, about 740,000 taxpayers used abusive schemes, both domestic and offshore.

Clearly, Congress must act to restore public confidence in our federal tax system. We can start by ensuring that honest, middle-class Americans are not the only ones left holding the bill. Unfortunately, the Bush administration has shied away from aggressively attacking tax evasion. Last May, Treasury Secretary Paul O'Neill voiced support for abolishing the corporate income tax. The Treasury Department recently fought to water down an international campaign to reform tax haven practices led by the Organization for Economic Cooperation and Development, OECD. Last fall, the Administration sought to repeal the corporate alternative minimum tax, a tax designed to ensure that large corporations do not entirely escape taxation.

Exempting our Nation's largest firms from taxation altogether is not the answer. On the contrary, Congress should take steps to ensure that criminal tax evasion is detected and addressed accordingly. The Tax Haven and Abusive Tax Shelter Reform Act of 2002 would impose strict measures against nations identified as uncooperative tax havens those which use confidentiality rules and practices to undermine tax enforcement and administration or refuse to participate in effective information exchange agreements. The legislation would limit foreign tax credits claimed by taxpayers operating in uncooperative tax havens. It would require a strict reporting of outbound transfers by U.S. taxpayers. The bill imposes a new civil penalty on U.S. taxpayers who fail to report an interest in an offshore account. Finally, it mandates a comprehensive review of the offshore tax evasion problem, including specific mechanisms used by taxpayers to shelter income and assets. By imposing real consequences for jurisdictions which are identified as uncooperative tax havens, the bill pierces the veil of secrecy which shields tax cheats from scrutiny and provides a strong incentive for otherwise uncooperative tax havens to enter into commitments with the United States to reform their practices.

The peddling of abusive corporate tax shelters also demands attention. Prepackaged, tax-motivated transactions with no real economic risk or business purpose—but which capitalize on technical ambiguities in the tax code—are sold to corporations by creative practitioners to generate artificial losses and deductions. Provisions in the Tax Haven and Abusive Tax Shelter Reform Act of 2002, identical to those introduced in the House by Rep. LLOYD DOGGETT, D-TX, would disallow tax benefits from transactions that have no real business purpose other than tax