



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 107th CONGRESS, SECOND SESSION

Vol. 148

WASHINGTON, THURSDAY, FEBRUARY 14, 2002

No. 14

Senate

The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. BYRD].

The PRESIDENT pro tempore. I am privileged to present to the Senate, and I do so with great pleasure, our guest Chaplain, Rev. Barbara Spies-Scott, of Hedgesville, WV.

PRAYER

The guest Chaplain offered the following prayer:

Our Father and our God, Creator of Heaven and Earth and all the inhabitants in it, we give You glory, honor, and praise for all You have done for us, even when we don't deserve it. The problems we face today are numerous and difficult. You told us in Luke 1:37 that "with God nothing shall be impossible." You also said in Psalm 33:12, "Blessed is the nation whose God is the Lord." May we humble ourselves and acknowledge You as our Lord and Saviour.

Dear God, the heart of the world is crying for peace, and the Scriptures tell us that You are the Prince of Peace and that we are to strive to be peacemakers. Lord, revive Your work of peacemaking in the hearts and minds of the men and women of this Senate. Give them the wisdom to know what is right and the courage to do it. Strengthen them in body, soul, and spirit. May each one be open to hear Your still, small voice for guidance and direction in every decision they make. May You always be their guiding force. We must, as the most powerful Nation in the world, let God be our guiding force. I pray this in Your holy name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable ROBERT C. BYRD, led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

RESERVATION OF LEADER TIME

The PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The Senator from Nevada is recognized.

SCHEDULE

Mr. REID. Mr. President, the Senate is going to proceed shortly to a period of morning business until 10:15 this morning. Thereafter, Senator DODD and Senator MCCONNELL will begin their managing of the election reform bill. They desire this legislation be completed today. It would really be good if we could do that. So I ask on behalf of Senator DODD that Senators who have amendments come and offer them. We had a few that were accepted last night. There is going to be an amendment offered at 10:15 today that will begin these deliberations.

CAMPAIGN FINANCE

Mr. REID. Mr. President, let me briefly say, personally this is a day of celebration for me based upon the fact when I first came down here, campaign finance laws were such that the only money people were able to obtain was the money they would get from individuals. Since then, we have developed this system where people are going around picking up money from corporations. Corporation money should not be part of Federal elections. Enron is a perfect example. I hope everyone will understand what a happy day it should be in Washington as a result of what the House did last night.

MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will now be a

period for the transaction of morning business not to extend beyond the hour of 10:15 a.m., with Senators permitted to speak therein for up to 10 minutes each, and with the first 20 minutes to be under the control of the Senator from North Dakota, Mr. DORGAN, and the Senator from Nebraska, Mr. HAGEL.

The Senator from North Dakota, Mr. DORGAN, is recognized.

THE NEW HOMESTEAD ECONOMIC OPPORTUNITY ACT

Mr. DORGAN. Mr. President, I am pleased to rise today to talk about S. 1860, a piece of legislation I have introduced in the Senate along with my colleague, Senator HAGEL, from the State of Nebraska. I want to describe what this legislation does and what it is.

I ask the Presiding Officer if I could be notified when I have consumed 10 minutes.

The PRESIDENT pro tempore. The Senator will be so notified.

Mr. DORGAN. Mr. President, the legislation we have introduced is the New Homestead Economic Opportunity Act. The President pro tempore will remember well the old Homestead Act in this country. We decided to try to populate the middle of this country well over a century ago by offering land to people who would move to the center of the country and work to improve the land. They would start a farm, start a family, and the Federal Government would give them 160 acres of land. That was called the Homestead Act.

Let me describe what has happened to the middle part of our country in the last 50 years or so and why there is a need for a new Homestead Act now. No, it is not to give land away, because we don't have more land to give away, but to develop unique and different approaches through a New Homestead Economic Opportunity Act.

This is a map of the United States of America. The red areas on this map are the rural counties that have lost at

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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least 10 percent of their population over the last 20 years. All of these red areas are rural counties that have lost more than 10 percent of their population.

You will see almost an egg shape in the middle of America. The middle part of America is being depopulated. People are leaving. Our rural counties are shrinking.

If you are trying to do business in one of these rural counties, you are in very big trouble; you are trying to do business in a recession and have been for some long while.

My home county is bigger than the State of Rhode Island. When I left it, there were 5,000 people. Now there are only 3,000 people—just to describe to you what is happening in the middle part of our country.

Let me also describe how I came to this county. My county is right here in the corner of North Dakota. How did I get there? A Norwegian widow named Caroline, with six children, got on a train in St Paul, MN, and went to southwestern North Dakota by train, pitched a tent with her family, built a house, started a farm, had a son who had a daughter who had me. That is how I got here. Strong people? Sure.

Can you imagine the strength of this widow with six children deciding, "I am going to homestead. I am going to North Dakota to start a farm and raise my family." What a wonderful thing to have happen, and it happened all across the middle part of our country. That is the way we populated what is now called the heartland in America.

But this population is now leaving. It is shrinking dramatically.

Nearly 70 percent of the rural counties in the Great Plains have seen their populations shrink by a third over the past fifty years. Let me repeat that. Nearly 70 percent of the counties in rural America in the Great Plains have seen their population shrink by a third, despite the fact that in this part of America we have much of what people want. It is a wonderful place to raise a family. It is a wonderful place to live, with great neighbors and low crime rates. It has much of what people aspire to have in their lives. Yet rural counties in the middle part of our country are losing their economic strength, and they are losing their population at a rapid pace.

Some years ago, we had a problem in inner cities in our country called urban blight. The Congress decided to do something about that. A new program was developed called the Model Cities Program. Urban renewal was developed to try to breathe life into major cities of this country that were suffering from very difficult problems.

In introducing this bill, Senator HAGEL and I are saying, we understand that out-migration is a national problem, and we ought to do something in public policy to try to breathe life into these rural areas in the heartland of our country.

What is the heartland about? Let me describe North Dakota, and my col-

league, Mr. HAGEL, will perhaps describe Nebraska.

Havana, ND, is a tiny little town. It is not big enough to keep a café unless everybody in town signs up to work for free. There is a sign-up sheet for everyone to volunteer to keep it from going out of business. This is the way the residents of Havana keep this business open in their town.

Sentinel Butte, ND, has a population of 80 people. The owner of the gas station and his wife have reached retirement age. They do not want to be open all day long. They close at about 1 o'clock. They lock the gas pumps and hang the key to the gas pumps on a nail on the front door. If you need gas and they are not there, you take the key, unlock the pumps, pump some gas, and then make a note on a little sheet of paper. That is the way it works in a small town in western North Dakota. It probably wouldn't work very well in a big city, but it works in Sentinel Butte, ND.

In Marmouth, ND, if you need a hotel, there is a hotel. Nobody works in the hotel. You check yourself into the hotel, and you have a good night's rest. When you check out in the morning, you leave your room key and some money in a cigar box that is nailed to the inside of the door. That is the place to stay if you visit Marmouth, ND. It may sound far-fetched, but it is not.

In Tuttle, ND, they lost their grocery store. The city council said: We will have to build our own grocery store. So they built a city-owned grocery store. When they cut the ribbon for the new grocery store, I was there that day, they had the high school band out on Main Street. They closed Main Street to celebrate the opening of a city-owned store in Tuttle, ND.

My point is that these are wonderful places with great people, with great qualities, and with great character. Yet all of the people in these areas are discovering that their population is shrinking and their Main Streets are dying. They are losing the economic vitality and the hope that ought to exist in communities like these.

What can we do about that? Senator HAGEL and I say the Government should play a role here, just as it did when the major cities in our country were in trouble. We have proposed the New Homestead Economic Opportunity Act. We propose that Federal policy embrace the notion that these rural areas in the heartland of America are worth saving as well. Let us provide some incentives to see if we can encourage people to move there or to come back and to live in these areas.

We propose new homestead opportunities saying to young people that if you want to stay in one of these rural counties, which is losing population as defined in the bill, we will forgive up to 50 percent of your college loans by a certain percentage each year—about 10 percent each year for 5 years that you live and work in one of those counties, and help them to rebuild.

We will offer a tax credit for home purchases in those counties that have been shrinking and losing population.

We will protect your home values by allowing you to write off on your income tax the loss of the value of that home.

These days, if you build a home in a small town of 200 people in one of our States—Nebraska, or North Dakota—the minute that home is completed, it is worth substantially less than it cost to build it. That is the way the market works in these small towns because banks and others don't want to finance in those areas. We propose that tax policy help alleviate that.

We would establish individual homestead accounts to help people build savings and have access to credit if they live in these areas. Their savings could grow tax free, and after 5 years they could be tapped into for small business loans, education expenses, first-time home purchases, and so on.

In addition to these homestead opportunities, we propose a new rural investment tax credit that says if you are doing business, investing, and creating jobs in these rural counties, you should be eligible for an investment tax credit because, as a matter of public policy, we want new opportunities for growth in the heartland.

We propose a new homestead venture capital fund to promote business development and growth in these high out-migration areas by making sure they have access to capital in order to grow the businesses they need in order to create jobs. Even if entrepreneurs are willing to work hard and take risks, they can't make it in a county that is losing its population unless they have access to capital.

Again, with respect to the middle part of America that is now losing population, let me say that when we sing that wonderful song, "America the Beautiful," and talk about our country from "sea to shining sea," and as we fly across America and pass over the heartland of our country and the breadbasket of America, we see wonderful values. We see wonderful people who are struggling to live in circumstances where their economy, their communities, and their schools are shrinking.

I graduated from a little school with a class of nine, Regent High School, which closed last year. They had their last high school prom, and then they combined their school with that of a town 14 miles away. It is no longer the little school that I attended.

That is happening all across the heartland. We can see the effect and the change that it causes in small communities. But can we in public policy make a difference? Can we begin to make an effort to change the future of rural America to a future of hope, opportunity, and growth? I think we can.

That is why Senator HAGEL and I have joined in proposing legislation that I think will begin to offer that hope, and that will begin to offer the

people there the tools for economic opportunity and development in the heartland.

I believe there are 10 minutes remaining. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DORGAN. Mr. President, I ask unanimous consent that those 10 minutes be given to Senator HAGEL, and I ask unanimous consent to extend 5 minutes beyond the additional 10 minutes.

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

The Senator from Nebraska is recognized.

Mr. HAGEL. Mr. President, I rise this morning to join my friend and distinguished colleague from North Dakota to speak about the New Homestead Economic Opportunity Act, S. 1860.

We have heard Senator DORGAN speak of this act, the reasons and possibilities for changes in our lifestyle in our country, and in particular how it has affected the part of America from which Senator DORGAN and I come. But it is not just a heartland issue. This issue of outmigration has received little attention over the years.

North Dakota and Nebraska and other Midwestern States, as you saw from Senator DORGAN's map, have been more affected by this outmigration than most other States. Senator DORGAN talked with me last year about possibilities to not only address the issue but to go beyond just bringing up solutions and go beyond in an area where we think there are expansion opportunities for many people.

Many communities in rural America have not shared in much of the boom that has brought great prosperity to America over the last few years. As we look at the numbers, at least over the last 50 years, we see clearly that the nonmetropolitan counties in the Nation lost more than a third of their population during this time. You contrast this with the fact that during the same period the number of people living in metropolitan areas grew by more than 150 percent.

It is not our intention to restructure, reframe, or in any way try to dominate lifestyles and have a disproportionate effect on where people live and how they live. That is not the point. The point is to offer some incentives that might, in fact, give people more possibilities and more opportunities at a time in the history of our country where quality of life is as important as some of the other dynamics that we, as a nation, as a culture, as a society, have had to deal with over the years: Jobs, how to raise your family, how to take care of that family, education, health care.

So quality of life has become an issue, as it should. We are most blessed in this country that it is an issue. We have conquered most of the great diseases. We have conquered poverty and hunger, not in the world but certainly in this country. So we are now looking

at other possibilities as we try to help make the world more just and do more for more people than history has ever recorded one nation having been able to do.

So my colleague from North Dakota and I are exploring possibilities. He noted the 1862 Homestead Act, which I think is somewhat analogous to what we are proposing. In fact, the first claim made under this act in 1862 was just outside Beatrice, NE. That first homestead under the 1862 Homestead Act is still there. It is a national park. We are very proud of that.

But, as I said earlier, as much as we have benefited—the State of Nebraska, the Midwest; and we have benefited mightily from the Homestead Act of 1862—of the 93 counties in Nebraska, 61 of those 93 had net outmigration of at least 10 percent over the last 20 years.

There is no particular mystery as to why we have seen this outmigration. Again, referring to Senator DORGAN's map, which gives a very accurate assessment of what has happened, people will go where there are opportunities. Jobs are a part of that universe of opportunities.

So as Senator DORGAN pointed out, in our legislation that we are proposing, we set out some specific areas that we think people might have an interest in exploring to incentivize their interest in not only the Midwest but all rural areas of America. And they are attached to what is important in our lives: Our families, our friends, our faiths, our sense of voluntarism, and community participation. It is being part of something larger than one's self-interest, a community spirit that in many ways is unique to America. So we would like to, in some way, offer opportunities to renew some of that.

There are currently joint capital formation projects, joint ventures, used in some States—Nebraska happens to have one of them—where, in fact, we can call upon the resources of both the public and private sectors to come together and provide those incentives. That is what we are proposing we do today in startup capital joint ventures, using private and public facilities. Senator DORGAN addressed some of those issues.

Infrastructure in these communities is critical, infrastructure such as roads and water and schools and medical facilities, hospitals, and something that Senator DORGAN has spoken of often, the Internet, access to high-speed Internet that many times we in the Midwest and many rural areas in the country get forgotten.

If we can, in fact, continue to build around and develop those infrastructures, people who want a different approach, who want maybe a style of life that isn't always found or conducive in large metropolitan areas, would have an option. I think it is worth exploring.

I am proud to be part of what Senator DORGAN and I are doing. We would hope others will have some interest as well.

One last point on this.

Later this month, the Lincoln Journal Star newspaper in Nebraska will partner with the Nebraska Educational TV Network to explore issues surrounding outmigration. In fact, the Lincoln Journal Star has done a series of articles which have been very insightful and informative on how we can deal with some of the concepts that Senator DORGAN and I are proposing in this legislation.

This presentation that will be made on educational TV will help frame the problems, solutions, and issues. When that report is completed and that program is aired, I will have that printed in the RECORD because I think it very much focuses on and frames up, in a relevant way, what we are attempting to do with this legislation.

With that, Mr. President, again, I appreciate the time and I appreciate Senator DORGAN and his staff's effort on this issue.

I yield the floor.

The PRESIDING OFFICER (Mr. NELSON of Florida). The Senator from North Dakota.

Mr. DORGAN. Mr. President, first, let me say how much I appreciate working with Senator HAGEL on this legislation. As he indicated, the State of Nebraska has an abiding problem, just as the State of North Dakota, South Dakota, and all of the States up and down the heartland of our country. It is not just our states.

I notice the Senator from Georgia is in the Chamber. Rural counties in Georgia, as well, are shrinking like prunes.

What do we do about that? Will Rogers used to chuckle when he thought about what would get the Federal Government's attention. He said: If you have two hogs that come down with something and get sick in a barn someplace, you will have all kinds of USDA people coming down to find out what is wrong with your hogs. But not much will happen if you have other problems. No one will show up.

I have an example that I would like to share with my colleague from Nebraska. In recent months, we had a little prairie dog fight. I will not go into all of the details. But prairie dogs took over a picnic grounds in the Badlands in North Dakota. They were going to do an environmental assessment. Then they did an EA. They did a FONSI, a finding of no significant impact. They had all these studies going on, and the Federal agencies got all cranked up about the prairie dogs, and they decided to spend a quarter of a million dollars to move the picnic grounds.

I said: Look we are not short of prairie dogs in western North Dakota; we are short of people. My home county went from 5,000 people to 3,000 people in 25 years. The county next to mine is bigger than the State of Rhode Island, and it has 900 people and only had seven babies, in a recent year, born in the entire year. These are counties that are dramatically shrinking, and

losing their economic vitality. Yet you get a prairie dog problem in a picnic area, and the Federal Government mobilizes, and you have all these agencies all juiced up to do something. But what about the fact that the economy throughout the heartland of our country is in desperate trouble, and you can hardly get anybody's attention in government?

What Senator HAGEL and I are saying is, let's go at this just as we did with model cities or urban renewal, and decide that this is not only a North Dakota problem—although it is certainly ours—not only a Nebraska problem—although it is certainly theirs—but that it is a national problem. A century after we populated the middle part of our country through the Homestead Act, depopulation is a national problem.

What has happened to cause the movement of people away from the heartland? A shift of jobs from production of natural resources—farming, mining, and other industries—to work in service or technology-oriented industries that shifted the population in our country.

New industries do not necessarily need to be near the grain elevator or the mouth of a mine. New technologies allow us to make many products with far fewer people, and that includes agriculture.

Free trade agreements have made it cheaper to produce goods overseas. That, too, has shifted population.

What Senator HAGEL and I are talking about is choice, giving people a choice to be able to live in rural America if they choose to do that.

I recently gave a commencement speech to a large class at one of our colleges in North Dakota, and I know most of those students are going to leave the State following their graduation—not because they want to, but because they do not have any choice.

Those young men and women, who represent our best and brightest, are going to leave North Dakota. Many will leave Nebraska. They will end up on the west coast or the east coast or down south. And our States, in my judgment, be weakened because they left. Other States will be strengthened. We want to give them a choice to be able to stay if they would like to stay.

If we want to stop outmigration and try to bring opportunity back to the heartland, we need to do it as a nation, not just for the sake of the heartland States, but for the sake of all our country. By any measure, the rural towns and counties that suffer from outmigration and population loss are still in many respects among the strongest in our country. They have good schools, a high level of civic involvement, extremely low rates of crime, good neighbors, a good life, and are great places in which to raise children. Our Government spends a great deal of time and money trying to emulate these attributes in areas where they don't exist instead of trying to help

preserve them in areas where they do exist; namely, rural counties in small-town America.

I know some might say Senator HAGEL and I have this Norman Rockwell notion of small town in our minds, and that is just wonderful, but that it is more nostalgia than it is reality. But I don't agree. In my judgment, public policy has a lot to do with where people locate. We simply want to provide additional choices. Nebraska and North Dakota and many other States just don't have the opportunities that a California, Texas, Massachusetts, or New York has.

For instance, consider that the Federal Government is the largest researcher in the world. Where do most of our research dollars go? Not to Nebraska or North Dakota. The bulk of it goes to four States: California, New York, Massachusetts, Texas. That is where, with these centers of excellence in research serving as anchors, industries and jobs locate. Public policy has a lot to do with where people live.

All Senator HAGEL and I are saying is that we can sit around and wring our hands, gnash our teeth, wipe our brow, and worry about this forever or we can decide to put together an initiative that says, let's try to do something about this shrinkage and outmigration in some of these wonderful places. Let's give people more choices, especially young people, to stay in those areas where they grew up and where they want to live, and provide them with spirit, hope, and opportunity to make their future economy a good economy. We can do that.

That is the initiative we are proposing, one to provide tools and to offer choices to those who are working hard in a wonderful part of America. We introduced the legislation in December. It is S. 1860. It is bipartisan. We will work very hard in the Senate and around the country to see if we can't get America to do for the heartland what it once did for the cities, and to get people to see that something is happening in rural America and that it needs help now. Let's join together and do that.

I yield the floor.

The PRESIDING OFFICER (Mr. MILLER). The Senator from Florida.

Mr. NELSON of Florida. Mr. President, I understand we are in morning business.

The PRESIDING OFFICER. We are.

Mr. NELSON of Florida. May I be recognized?

The PRESIDING OFFICER. The Senator from Florida.

Mr. NELSON of Florida. Mr. President, the Senators who have just spoken make a most compelling case. I take very seriously my role as Senator, in which I have a responsibility to the rest of the Nation in addition to the wonderful State I have the privilege of representing. What I would like to do is come to their respective States and see these areas where there is outmigration. This is quite a contrast to what I

have experienced in the State of Florida which has been just exactly the opposite kind of experience.

As a matter of fact, my home county, Brevard County, in the early 1960s, because of the space race, when the Soviet Union surprised us with Sputnik and then surprised us by launching Yuri Gagarin, one orbit, before we could ever get to sub orbit with Alan Shepard, people were just pouring in, sleeping in cars.

As a result, a lot of development was done in a rush with tremendous mistakes, not attending to zoning and not attending to proper drainage, and so forth and so on. So the experience of Florida has been quite the opposite of their experience.

What I would like to do is to learn from them how I could help them because we are all citizens of the United States of America. I thank them for bringing this issue to the attention of the Senate. I look forward, maybe perhaps this summer, to visiting in their respective States of North Dakota and Nebraska.

CAMPAIGN FINANCE REFORM

Mr. NELSON of Florida. Mr. President, I rise to state that since the House of Representatives, at 3 in the morning, passed the campaign finance reform bill, I want to cast out some markers as the Senate will consider this legislation and no doubt will pass this legislation, my vote included. However, we have to be concerned about the flow of money in politics.

Campaign finance reform is an attempt to try to get soft money out of politics, but this campaign finance reform bill does not totally do that. It comes close.

Soft money, for those who would like a refresher, is campaign donations that are other than personal donations from individuals or from political action committees. For example, a corporate check would be an example of a soft money contribution to a candidate. Under the current law, soft money contributions can flow through the parties. That is where we have seen a great deal of abuse.

The campaign finance reform bill intends to constrict the use of that soft money. It does so by saying that it can't flow through the parties. It can't be coordinated by the campaigns or the campaign committees, such as our Democrat and Republican Senate campaign committees, but it can flow through independent groups with a message or with an issue advertisement which we know becomes just as effective for or against a candidate, almost, as a direct campaign ad that says vote for or vote against candidate A, B, or C.

However, there was an important limitation in this bill I supported vigorously. That was that soft money could not flow through independent groups for purposes of affecting an election through an issue ad 60 days