

Tanner, his children; and to Betty, his mother, Nancy and I sent heartfelt prayers on behalf of all New Mexicans as well as the appreciation of a grateful nation.

EXPATRIATING AMERICA TO AVOID U.S. INCOME TAXES

Mr. GRASSLEY. Mr. President, my friend and colleague from Texas, in a debate on Senator WELLSTONE's government contracting amendment, criticized a proposal the Finance Committee was scheduled to markup today. The Senior Senator from Texas characterized the proposal as an effort at "passing laws that sound like they're right out of Nazi Germany." Senator GRAMM went on to criticize: "(t)he idea that somebody can't leave America and take their property with them, that they've got to pay a tax in order to get their property out of America."

Mr. President, as the ranking Republican member of the Finance Committee and a participant in crafting this provision, I felt compelled to respond. First of all, I'm proud to serve on the Finance Committee. When someone characterizes a bipartisan Finance Committee proposal as something "right out of Nazi Germany," I'm going to be disturbed.

Tax-motivated expatriation activities are something that troubles me. All you have to do is look at the infamous case of Marc Rich. You will recall Mr. Rich's case came to light in the rush of pardon applications during the waning hours of the Clinton Administration. Mr. Rich reportedly left the U.S. to avoid U.S. taxation and sought a pardon with respect to criminal indictments on, among other things, criminal tax charges.

Mr. President, there is a major principle at stake here. A key premise in our tax system is that those individuals and corporations that derive financial benefits from economic activity that is, as the tax law says, "effectively connected" with the United States, should be taxable on that income no matter where their domicile is. Any alternative to this concept would result in U.S. persons bearing a larger burden of Federal taxation than a foreign person earning a livelihood here. America and her major trading partners recognize this principle. It is reflected in the tax laws of our trading partners and the international tax treaty network.

Let's take a look at current law. For individuals that expatriate, an income tax is imposed on appreciation in the assets of the expatriate, on a 10 year going forward basis, if the expatriate is leaving the U.S. with the "principal purpose" of avoiding U.S. income tax. For purposes of this current law rule, expatriates are deemed to have expatriated with a principal purpose of avoidance of U.S. income tax in two cases. In the first case, the deemed rule applies if the expatriate had, on average, \$100,000 of net income, for the five

years at the time of expatriating. In the second case, the deemed rule applies if net worth of the expatriate exceeds \$500,000. In the case of corporations, the appreciation in assets transferred offshore is taxable at the time of transfer.

So, Mr. President, it is clear that, under our current tax policy, individuals and corporations that attempt to either leave or transfer assets are taxable when they leave the U.S. Frankly, the Finance Committee views the so-called "inversion" transactions as a loophole that undercuts current law principles. It is on that basis, closing an insidious loophole, that the Finance Committee recently reported legislation to curtail inversion transactions.

Similarly, in 1995 and 1996, the Finance Committee, and full Senate, sought to plug the loophole on the individual expatriation level. A proposal virtually identical to the one criticized by Senator GRAMM today, was passed, on several occasions during those two years. That proposal did not become law because the Senate, with much reluctance, receded to the House in conference. The House proposal aimed to tighten the 10 year rule.

The Chairman and Ranking Member have revived the Finance Committee expatriation proposal because of concerns about the effectiveness of current law. In fact, the Joint Committee on Taxation's estimate of this proposal appears to confirm that the long-standing tax policy with respect to individual expatriation will be better served by the Finance Committee approach.

Under the Finance Committee proposal, individuals that expatriate would, as the Senator from Texas said, be taxable on gain in appreciation in U.S. assets when they leave America. This proposal would replace the current law regime described above. The Finance Committee proposal, is hardly "right out of Nazi Germany." It strengthens long-standing tax policy. The Senate has spoken favorably on it on many occasions.

So, Mr. President, let's keep our eye on the ball. Current law, not a putative Nazi regime, preserves the fairness of U.S. tax system. The Finance Committee proposal makes sure the fairness of the U.S. tax system is strengthened by closing loopholes.

SUCCESS AT VINCA

Mr. DOMENICI. Mr. President, I rise to remind my colleagues that an important milestone in our progress toward reducing the risks of proliferation of weapons of mass destruction took place about 2 weeks ago.

Events like September 11 would have been far worse if terrorists had access to weapons of mass destruction. Since September 11, appreciation of this threat has increased dramatically. Many of us have spoken on the need to rein in the forces of international terrorism and any possibility that they may gain the use of such weapons.

The milestone to which I refer is the successful removal of enough weapons-grade uranium from the Vinca Institute of Nuclear Sciences near Belgrade, Yugoslavia to make more than two nuclear bombs. This removal was accomplished through coordination among government and private groups, including contributions from Yugoslavia and Russia, the International Atomic Energy Agency, and the Nuclear Threat Initiative.

I especially salute the contributions made by the Nuclear Threat Initiative, headed by Ted Turner and our former colleague Senator Sam Nunn. This episode represents another critical effort from the NTL. I'm very honored to serve on the Board of the NTL, along with Senator LUGAR. There will always be aspects of international efforts that are difficult to handle through government channels, where the private resources of the NTL may be vital.

But even as we congratulate ourselves over this victory, we need to recognize that it is very small in the overall scale of the problem. Estimates are that weapons-grade uranium exists at over 350 sites in over 50 countries. Some of these have very small quantities, but many of these locations have enough material for one or more bombs. Some of these sites include research reactors, provided by either the United States or the Soviet Union, fueled by highly enriched uranium which could be diverted for weapons use.

And we also need to examine why it required such complex coordination to accomplish this work and explore how Congress can simplify the process in the future. This part of the puzzle has a much simpler solution, because the tools to accomplish this are now part of the Senate-House conference on the Armed Services authorizing legislation.

Let me briefly explain why the Vinca operation required so much coordination. The Yugoslavian government very logically required that any Vinca solution address both fresh fuel and spent fuel from their research reactor. The fresh fuel was highly enriched uranium, and our government was able to assist because it represented a proliferation threat for weapons of mass destruction. That cooperation is authorized through the 1991 Nunn-Lugar and the 1996 Nunn-Lugar-Domenici Legislation.

But the spent fuel at Vinca, which is not useful for making a nuclear weapon, could pose both an environmental concern as well as a dirty bomb threat, depending on its level of radioactivity. The former represents work that is clearly beyond the authorization of our Government's nonproliferation mission and the latter represents work that is not authorized.

Now since September 11, there have been volumes of testimony on the threat posed by highly radioactive materials and their potential use as dirty

bombs. But today, despite these concerns, there are no statutes which address the government's authority to offer help to other countries regarding dirty bomb threats.

I am pleased to note that the Domenici-Biden amendment to the Senate Armed Services legislation provides authorizations to enlarge the ability of the government to step into such situations. With final passage of that amendment in the Armed Services legislation, we can provide important new tools to our government.

Under that amendment, programs to address dirty bomb issues are specifically authorized, including assistance to any country requesting our aid. And of equal importance, programs to broaden our ability to address fissile material issues around the world, not just associated with the former Soviet Union, are authorized along with new approaches to speed up the conversion of highly enriched uranium to material unusable for weapons.

Even with this amendment, I am sure there will be many opportunities for private groups, like the NTI, to step in and plug gaps in Government programs. But with this amendment, we will vastly simplify future operations at the hundreds of remaining sites.

The Domenici-Biden amendment enjoyed broad support in the Senate, and I appreciate that Senators LUGAR, LANDRIEU, HAGEL, CARNAHAN, MURKOWSKI, BINGAMAN, and LINCOLN joined us in introducing it.

It is my hope that the success at Vinca, along with the sobering realization that we need to repeat this success hundreds of times to fully address the threat of proliferation of materials suitable for nuclear bombs, will encourage the Conferees from both the House and the Senate to ensure that provisions of the Domenici-Biden amendment are in the Armed Services authorization bill that will eventually emerge from Conference.

ADDITIONAL STATEMENTS

THE 38TH ANNIVERSARY OF THE WILDERNESS ACT

• Mr. FEINGOLD. Mr. President, today, I commemorate the 38th Anniversary of the Wilderness Act of 1964, which was signed into law on September 3, 1964, by President Lyndon B. Johnson. The Wilderness Act of 1964 established a National Wilderness Preservation System "to secure for the American people of present and future generations the benefits of an enduring resource of wilderness." The law reserves to Congress the authority to designate wilderness areas, and directs the Federal land management agencies to review the lands under their responsibility for their wilderness potential.

The original Wilderness Act established 9.1 million acres of Forest Service land in 54 wilderness areas. Now, the wilderness system is comprised of

more than a 100 million acres that are administered by four Federal agencies: the Forest Service in the U.S. Department of Agriculture, and the Bureau of Land Management, the Fish and Wildlife Service, and the National Park Service in the Department of the Interior.

As we in this body know well, the passage and enactment of legislation of this type is a remarkable accomplishment. It requires steady, bipartisan commitment, institutional support, and direct leadership. The United States Senate was instrumental in shaping this very important law, and this anniversary gives us the opportunity to recognize this role.

I have been very pleased to see this body return to the tradition of designating wilderness since the 35th anniversary of the act in 1999. The 106th Congress passed, and President Clinton signed, a total of eight wilderness bills adding more than 1 million acres of public land to the National Wilderness Preservation System. This is the largest number of acres of wilderness added to the system since 1994 and is a stark contrast to the 105th Congress, which did not enact any wilderness designations.

While the 107th Congress may not surpass the wilderness achievements of the 106th, there are a number of wilderness bills pending in the 107th Congress, several of which are likely to become law before the end of the year. The designation of the James Peak Wilderness in Colorado and additions to the Black Elk Wilderness in South Dakota have already been approved by Congress and signed into law by President Bush. Bills designating new wilderness areas in Washington, Nevada, and Puerto Rico are likely to move forward this fall, while others, such as those to designate wilderness in Washington State and California, may see hearings or other congressional action.

Many would agree that more must be done to protect our wild places, but much has been done already. In commemoration of anniversaries like this one, the Senate should celebrate our accomplishment, on behalf of the American people, in the protection of these wild places.●

HONORING EARLEEN ALLEN FRANCIS

• Mr. BUNNING. Mr. President, I have the privilege and honor of rising today to recognize Ms. Earleen Allen Francis of Clinton, KY. Last month, Ms. Francis was presented with a certificate of honor for her military service as an Army Nurse during WWII by the Kentucky Department of Veteran Affairs.

Ms. Francis, now 91 years young, is among fewer than 20 survivors of the group of about 60 Army and Navy nurses captured by Japanese forces after the fall of Corregidor, a small fortified island in the Philippines.

In 1942, Japanese troops advanced on the Bataan peninsula. The Army and

Navy nurses stationed at Bataan were evacuated to Corregidor as a safety precaution. However, shortly after being moved, Japanese troops stormed the small island and captured 20 of the 85 nurses, including Earleen Allen Francis. For three long and grueling years, Earleen and the 19 other nurses were starved and locked up by their captors. Their freedoms were stripped from them in the blink of an eye. In many ways, Earleen never quite recovered from this horrific time period in her life.

Ms. Francis' story has been told in books and on television and she was even honored by President Reagan in 1983 for her service to America. It is important that her story continues to be told.

I believe it is vital that we as a nation never forget about heroes like Earleen Allen Francis. Sometimes, we are forced to fight and die for our freedom and the continuation of our unique way of life. Ms. Francis personally sacrificed a large portion of her life to ensure that future generations of Americans are able to enjoy the freedoms she had stripped away from her for 3 years.

Now more than ever, we must learn from the sacrifices others have made. Terrorist states and organizations around the globe are striving to take the word freedom out of America's vocabulary. These terrorists view the world in simple terms of black and white; Islam is on the good side, and the infidels—America, Israel, and the entire Western World—are on the bad side. Freedom and democracy don't always come easy. We sometimes have to fight for what we believe in and stand for.

I ask that my fellow Senators join me in honoring Earleen Allen Francis for her sacrifice and commitment to America—the land of the free.●

IN RECOGNITION OF THE MARIN CONSERVATION CORPS

• Mrs. BOXER. Mr. President, I rise to recognize the achievements of the Marin Conservation Corps, MCC, the oldest local, private, non-profit conservation corps in the United States.

Twenty years ago the winter of 1982 brought severe flooding to much of Marin County. Concerned citizens led by Richard Hammond took action by going out and battling the winter storms and working to protect the neighborhoods and natural habitats that were at risk. Since I was a member of the Marin Board of Supervisors at that time, I well remember them.

From this community effort the Marin Conservation Corps was born. It identified its mission as developing the youth of Marin County by providing meaningful employment, education and training opportunities through projects that conserve natural resources, deliver human services and respond to public emergencies.

In the 20 years since its founding, more than 3,000 corps members have