

are taxed now at a rate of nearly 70 percent, second highest in the world. The first highest is Japan. The flattest, most stagnant, economy in the world today is Japan.

There is a simple and clear explanation. We all know that if we want more of something, we subsidize it; if we want less of something, we tax it. Remember, heavy debt has been associated with many of the recent large bankruptcies about which I have spoken.

You will remember that Enron had significant debt levels, among other things, that it had most of its problems investing in a variety of areas outside of its core competence. The Tax Code encourages debt and discourages dividend payments.

The double taxation of dividends encourages the creation of noncorporate entities. These noncorporate entities include partnerships and limited liability corporations. Again, Enron left many of its debts off the books. As a result, Enron overstated profits by some \$400 million in its annual reports. Noncorporate entities do not pay double taxes like corporations.

Many of the scandal-ridden companies that imploded over the past few years had created several noncorporate entities—in part, to escape double taxation. Again, the Government says to do one thing—be honest and straightforward. But the same Government encourages complexity and dishonesty with its very own tax policy.

A year ago, Professor Jeremy Siegel of the Wharton School of Business wrote in the Wall Street Journal:

Nothing could possibly excuse Enron, Arthur Andersen and other firms from their deceptive and fraudulent practices. But cries for accounting reforms, transparent earning reports, and audit independence will not amount to anything [other than to slightly discourage this effort] if the U.S. tax system encourages firms to do just [what Enron did].

The double taxation of the dividends is hurting efforts to prevent corporate corruption. The frustrating thing is that even after enacting tougher penalties for corporate crooks, it may be wasted effort, unless we end the double taxation penalty. The incentive is backward, Mr. President. If we have learned nothing over the past decades, we should have learned that incentives do matter.

I would venture most of us in the Chamber agree that ending the double taxation of dividends is good for older Americans and it is good tax policy. It would be a shame for us to cast aside good policy without a fair and honest appraisal.

I urge my colleagues to support the effort to end the double taxation of dividends. We can help improve corporate accountability by proper tax policy, while greatly helping America's seniors.

In conclusion, I will quote one of the expert witnesses who testified at our hearing, Hilary Kramer:

Abolishing the double taxation of dividends is about keeping companies honest, competent, and resourceful. . . .

I say we end the dividend penalty now for the sake of our seniors, who are the savers and investors in stable investments, and who live on fixed incomes, and for the sake of returning trust to the governance of corporate America.

I yield the floor.

#### ARKANSAS TROOPS ACTIVATED FOR WAR ON TERROR AND IN MIDDLE EAST

Mrs. LINCOLN. Mr. President, I rise today to pay tribute to the American troops in the National Guard and Reserves who are placing themselves in harm's way to defend our Nation against the threats of terrorism and global instability.

As of Wednesday, March 5, there are 176,553 Reservists and Guardsmen nationwide activated in the war on terrorism and in preparation for a potential war against Iraq. Currently, there are 1,875 Arkansans activated in the Guard and Reserves. I ask unanimous consent that the attached list be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection it so ordered.

(See exhibit 1.)

Mrs. LINCOLN. Mr. President, the sacrifices that these men and women are making to protect our freedoms, depend our liberties, and ensure regional and global stability. We are very proud of each and every one of them, and we owe all of them a tremendous debt of gratitude for their service and for their dedication to their country. We look forward to welcoming them home safely.

#### EXHIBIT NO. 1

ARKANSAS TROOPS CURRENTLY ACTIVATED

Army National Guard (947 Arkansans):  
N. Little Rock: State Area Command, 4.  
Ft. Smith: 2nd Battalion, 142nd Field Artillery, HQ, 42.  
Lincoln: 2nd Battalion, 142nd Field Artillery, SVC Battery, 20.  
Van Buren: 2nd Battalion, 142nd Field Artillery, Battery A, 72.  
Siloam Springs: 2nd Battalion, 142nd Field Artillery, Battery B, 73.  
Ozark: 2nd Battalion, 142nd Field Artillery, Battery C, 73.  
West Memphis: 216th Military Police Company, 124.  
Little Rock: 149th Medical Company, 2.  
Little Rock: 343rd Mobile Public Affairs Detachment, 7.  
Ft. Smith: 935th Support Battalion, 99.  
N. Little Rock: 935th Support Battalion, 32.  
Charleston: 296th Medical Company, 117.  
Marked Tree: 1123rd Transportation Company, 167.  
N. Little Rock: 25th Support Detachment, 49.  
N. Little Rock: 114th Aviation Air Traffic Control Battalion, 64.  
N. Little Rock: 223rd Regiment (Regional Training Institute, 2.  
Army Reserve (794 Arkansans):  
Fayetteville: 362nd Psychological Operations Company, 67.  
Little Rock: 431st Civil Affairs Battalion, 140.  
Little Rock: 460th Chemical Brigade, 1.  
Pine Bluff: 92nd Chemical Battalion, 1.

Charleston: 38th Ordnance Group, 56.  
Little Rock: 468th Chemical Battalion, 45.  
N. Little Rock: 489th Engineer Battalion, 452.  
Little Rock: 90th Reserve Support Command, 22.  
Little Rock: 112th Chaplain Detachment, 2.  
Little Rock: U.S. Army Engineering Facility Group, 8.  
Air National Guard (145 Arkansans):  
Little Rock: 189th Airlift Wing, 99.  
Fort Smith: 188th Airlift Wing, 46.  
Naval Reserves (7 Arkansans):  
Little Rock: Naval Support Activity Bahrain, Detachment C, 7.

#### LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH. Mr. President, I rise today to speak about the need for hate crimes legislation. In the last Congress Senator KENNEDY and I introduced the Local Law Enforcement Act, a bill that would add new categories to current hate crimes law, sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred March 2, 2003, in New York City. Robert Spreng, 53, a resident of Manhattan's Upper East Side, was attacked at 4 a.m. as he walked home from a local bar. Spreng was followed by three men who approached him and screamed, "Faggot!" Spreng raised his hands and said that he didn't want any trouble, to which the assailants responded, "Faggot, you're going to have trouble tonight." Then the three men attacked Spreng, punching and kicking him. A witness called police, who were able to stop the beating.

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 is 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.

#### UNANIMOUS CONSENT CONSIDERATION

Mr. INHOFE. Mr. President, earlier today I submitted a request to the Senate to be considered with respect to the referral of the nomination of the Assistant Secretary of the Army for Civil Works for the 108th Congress.

The order reads as follows:

Ordered that, when the nomination for the Assistant Secretary of the Army for Civil Works is received by the Senate, it be referred to the Committee on Armed Services, provided that when the Committee on Armed Services reports the nomination, it be referred to the Committee on Environment and Public Works for a period of 20 days of session, provided further that if the Committee on Environment and Public Works does not report the nomination within those 20 days, the Committee be discharged from further consideration of the nomination and the nomination be placed on the calendar.

This order has been closely coordinated with both the chairmen and

ranking members of the Committee on Armed Services and the Committee on Environment and Public Works. As chairman of the EPW Committee and a senior member of the Armed Services Committee, I thank Chairman WARNER and Senator LEVIN for working with Senator JEFFORDS and myself.

Mr. JEFFORDS. I too support this order, and I thank my colleagues on both the EPW Committee and Armed Services for working together on this request.

#### HONORING JAMES T. O'TOOLE

Mr. THOMAS. Mr. President, I rise today to express my thanks to James "Jim" O'Toole for all of his hard work and efforts with the Parks and Historic Preservation Subcommittee which I chair.

Born and raised in San Francisco, Jim O'Toole is a graduate of St. Ignatius College Prep and the University of San Francisco. After a 23-year career with the National Park Service, he came to Washington, D.C. in 1987 as part of the U.S. Department of the Interior's Management Development Program where he also served on a professional fellowship to the Senate Committee on Energy and Natural Resources. After the completion of his fellowship, Mr. O'Toole resigned from the Park Service and assumed the roles as professional staff member for the committee. During his tenure in the Senate, he served as professional staff for the minority for the Subcommittee on Public Lands, National Parks and Forests from 1987 to 1994, and with the majority for the Subcommittee on National Parks, Historic Preservation and Recreation from 1994 until now.

Mr. O'Toole's primary issue responsibilities encompassed all work relating to the Subcommittee on National Parks, Historic Preservation and Recreation, including: oversight of the National Park Service and Park Police; Wild and Scenic Rivers; National Trails and Recreation Areas; Historic Sites and Preservation; Military Parks and Battlefields; Land and Water Conservation Fund; outdoor recreation resources; preservation of prehistoric ruins and objects of interests on the public domain; concessions programs affecting federal land management agencies; and various public land management issues. Over the past fourteen years, the bulk of the Senate Energy Committee legislation has been reported from the National Parks Subcommittee which Jim staffed. Mr. O'Toole was also the primary Senate staffer for H.R. 3248, the Omnibus Parks and Public Lands Act of 1997, (P.L. 104-333). This law contains the precedent setting San Francisco Presidio legislation which has been used as a template for similar private sector initiatives including the Oklahoma City Memorial and the Baca Ranch in New Mexico.

More recently, Jim was instrumental in the passage of the Vision 2020 Parks

Restoration Act, P.L. 105-391. Vision 2020 represents the culmination of a three-year effort and the first major reform of the National Park Service in more than 30 years, including an 11 year effort to reform the Agency's Concession Management Program.

After 14 dedicated years working for the Senate Energy Committee, and more than 23 years with the National Park Service, it is with gratitude and great enthusiasm that I convey my personal thanks and appreciation to Jim O'Toole. I also announce that Jim is officially retired from his life of public service as of today, and he will be joining the private sector.

Again, I express my appreciation to Mr. O'Toole and I wish him well with all of his new ventures and future challenges.

#### ADDITIONAL STATEMENTS

##### TRIBUTE TO FIRE CHIEF STEVE PAULSELL

• Mr. BOND. Mr. President, I rise to pay tribute to Fire Chief Steve Paulsell who for the past 25 years has been Chief of the Fire District in Boone County, MO. When Mr. Paulsell became Fire Chief in 1997, the fire department was volunteer and consisted of six stations and 50 firefighters. Under Chief Paulsell's supervision, the fire district has become a national leader in fire and emergency service. Chief Paulsell's departmental accomplishments include: growth from six to fourteen fire stations in 2003, over 300 volunteer personnel, creation of one of 28 Federal Emergency Management Agency urban search and rescue task forces, an FBI accredited bomb squad, award-winning elementary school education life safety program, creation of fire and building codes in Boone County, and original creator of the Joint Communications 911 Center. Chief Paulsell's personal accomplishments include: International Association of Fire Chief's Fire Chief of the Year in 1996, chair of the Missouri Fire Service Alliance, National Fire Academy course developer, and developer of Missouri State Fire Mutual Aid system. In addition to these accomplishments, Mr. Paulsell has testified on behalf of the Nation's fire service to the Senate.

Boone County Fire District Board President Willis Smith praises Chief Paulsell and states, "He was the right man to lead our fire department in 1977 and he is still the right man to lead. He has the vision, insight and leadership abilities to continue to grow this department." I commend Boone County Fire Chief Steve Paulsell for his dedicated service to protecting and improving the quality of fire and emergency services for Missourians, and for making the Boone County Fire District a model for our country.●

#### FILIBUSTERS ON JUDICIAL NOMINEES

• Mrs. BOXER. Mr. President, last week in the Senate, I indicated that with the exception of Supreme Court nominees, I believed that if a judicial nominee answers the questions posed to him or her and provides the Senate with the information needed in order for us to perform our constitutional role of advice and consent, I would not engage in a filibuster on the nomination.

I made this remark expecting that the so-called blue slip process would be honored. That is, if a Senator from the nominee's home State did not return a blue slip, that nominee would not have a hearing, would not be considered in the Judiciary Committee, and would never even come before the full Senate. A filibuster would not be possible because the nomination would not leave the Committee.

After my remarks, however, something happened that makes me question that assumption. I heard on good authority that hearings are being considered on nominees for whom a blue slip has not been returned.

Given this development, it is possible that the Senate could, in the very near future, be asked to vote on a nominee for whom a blue slip was never returned. At the time of my statement last week, I was not aware that such an abrupt change in Senate practice was being contemplated so seriously and so quickly.

Therefore, Mr. President, if a nominee were to come before the full Senate without a blue slip having been returned by a home State Senator, I reserve the right to participate in a filibuster on that nomination.

Furthermore, after I gave my statement last week, an incident occurred in the Senate Judiciary Committee that is of great concern to me and should be to the entire Senate. The rules of the Judiciary Committee require at least one Member of the minority party to agree to end debate on a matter before the Committee. Despite this rule, and despite the fact that no one on the Democratic side voted to end debate, the Committee held a vote on two circuit court nominees anyway.

If Committee rules are going to be ignored—if the rights of the minority party and the interests of the minority party are trampled upon—this process is going to break down. It may take a filibuster in the full Senate to ensure that the rules are followed.

Finally, Mr. President, when President Bush was elected, he pledged to govern from the center. Judicial candidates who are not moderate, mainstream nominees violate that pledge. I want to hold President Bush to his pledge, so I also reserve the right to filibuster a nominee who is far outside the mainstream.●