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## Senate

The Senate met at 9:31 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

### PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Gracious Father, we gladly respond to the admonitions of the psalmist: "Commit your way to the Lord, trust also in Him and He shall bring it to pass, rest in the Lord and wait patiently for Him."—Psalm 37:5. We prayerfully accept the vital verbs of this advice and apply them to our faith today: commit, trust, rest, wait. You have shown us that when we commit to You our lives and our challenges, You go into action to bring about Your best for our lives. Commitment opens the flood gates of our minds and hearts to the flow of Your power to help with people or problems that concern us. We trust in Your reliable interventions to free us from anxiety. When we rest in Your everlasting arms, we experience spiritual resilience and refurbishment. All Your blessings are worth waiting for because nothing else gives us the strength and courage we really need. Thank You for Your faithful reliability. You, dear God, are our Lord and Saviour. Amen.

### PLEDGE OF ALLEGIANCE

The Honorable GEORGE V. VOINOVICH, a Senator from the State of Ohio, 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.

### RECOGNITION OF THE MAJORITY LEADER

The PRESIDING OFFICER (Mr. VOINOVICH). The majority leader is recognized.

### SCHEDULE

Mr. LOTT. Mr. President, today the Senate will be in a period of morning business until 10:15. Following morning business, a cloture vote will occur on the motion to proceed to H.R. 8, the Death Tax Elimination Act.

### VOTE

I ask unanimous consent that the vote occur at 10:15 this morning.

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

Mr. LOTT. If cloture is invoked, the Senate will continue postcloture debate on the motion to proceed. The Senate may also resume consideration of the Interior appropriations bill in an effort to make further progress on that important piece of legislation. It is the intention of the managers of the Interior appropriations bill to lock up a filing deadline for first-degree amendments during today's session.

Senators should expect votes each day this week. Also, we will have late nights to have debate on amendments on the Defense authorization bill with votes on amendments, if necessary, occurring the following morning. I have been assured by the managers of that legislation, Senator WARNER and Senator LEVIN, that we will be working tonight and we probably will have some votes the first thing in the morning on the bill.

I regret that we have to have a vote on the motion to proceed. A good faith effort has been made to work out an agreement on a limited number of amendments, but we have not been able to come to an agreement on that.

It is important that we get to the substance of this legislation—the elimination of the death tax. It is high time we take action on this unfortunate tax provision that has been on the tax rolls since Theodore Roosevelt was President. I know from personal experience that it is having a very devastating effect on small businesses, family farms, and homesteads. I have come across members of families in

tears in my own State on finding they had to sell their small business or their farm that has been in the family sometimes for two or three generations because they had to pay this most unfair death tax.

Many commentators seem perplexed, trying to understand why this legislation would have received such overwhelming support in the House of Representatives with an almost unanimous vote among the Republicans and 65 Democrats, from all regions, backgrounds, races, sex, and everything else. They can't understand why it got this very outstanding vote.

The answer is really very simple. First of all, all of us would like to be able to have an estate of some value when we reach the end of our role. We would like to be able to pass it on to our children for the next generation. The idea that the Federal Government would come and reach into the grave and pull back 40, 45, 50, or 55 percent of a life's work offends the American people regardless of financial status. It is a basically and patently unfair tax provision.

I am pleased we are going to move forward this week to get a vote. Of course, we will have to have a vote on cloture so that there won't be an extended series of unrelated, nongermane amendments or filibusters. But I hope we will get that vote. Then we will get to final vote on the substance. It is long overdue.

I commend the chairman of the committee, Chairman ROTH, and the ranking member, Senator MOYNIHAN, for allowing this legislation to come to the floor today for a vote. Also, again I must express my admiration for the way the House handled this matter.

I understand there will be a period for morning business. Senators are here prepared to speak on the substance of the legislation.

I yield the floor.

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



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## RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, leadership time is reserved.

The Senator from South Carolina.

## THE DEATH PENALTY

Mr. THURMOND. Mr. President, it is most unfortunate that the President has decided to delay the first federal execution in almost forty years.

Mr. Juan Garza was a vicious drug kingpin who was found guilty of three murders and sentenced to death in 1993. He was also convicted of various drug and money laundering offenses. Of course, there is no way to know how many American lives he destroyed indirectly through his extensive drug trafficking into this country. He is just the type of criminal that the Congress had in mind when we reestablished the federal death penalty in 1988.

His lawyers are not claiming he is innocent. Rather, they are making general arguments about the fairness of the death penalty, and the President is apparently sympathetic to this.

Over the weekend, the White House confirmed that the President will postpone the execution for at least 90 days and maybe until after the November elections. The reason for the administration has given is that the Justice Department is still drafting formal clemency guidelines. Mr. Garza was sentenced to death 7 years ago, and his case has been tied up in appeals ever since. The Supreme Court decided in November that it would not hear his case, and in May a judge scheduled his execution for August. The Department has had more than enough time to prepare such guidelines.

Of course, the President does not need any special death penalty guidelines to act. The President has the power to commute Mr. Garza's sentence or even pardon him if he wishes. The President should make his decision and not further delay an already extremely long process.

This is consistent with this administration's treatment of the death penalty overall. Only steadfast opponents to capital punishment can argue that it is used too often in the federal system today. Last year, my Judiciary subcommittee held a hearing that discussed the federal death penalty in some detail. After becoming Attorney General, Ms. Reno established an elaborate review process at Main Justice to consider whether a U.S. attorney may seek the death penalty. She has permitted prosecutors to seek the death penalty in less than one-third of the cases when it is available.

Also, her review permits defense attorneys to argue that she should reject the death penalty in a particular case, but it does not permit victims to argue for the death penalty. I hope the Department's new clemency rules will allow victims to participate in the process. However, victims should be al-

lowed to encourage the Department to seek the death penalty in the first place.

The death penalty is an essential form of punishment for the most serious of crimes. Yet, it has not been carried out in the federal system for 37 years. We should not continue to delay its use. When an inmate's appeals are exhausted, as they are in this case, the President should carry out the law.

## MORNING BUSINESS

The PRESIDING OFFICER. 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 the time to be equally divided between the Senator from Delaware and the Senator from New York.

Who yields time?

Mr. REID. On behalf of the Senator from New York, I yield 10 minutes to the Senator from North Dakota.

## ESTATE TAX REPEAL

Mr. DORGAN. Mr. President, I will comment briefly on the remarks made by the majority leader a few moments ago on the subject of the estate tax.

First of all, the question of repealing the estate tax or changing the estate tax is an important issue, but it is not an issue that is important to the exclusion of all other issues. The majority leader takes the position that the estate tax ought to be repealed completely so those in this country who die and leave \$100 million in assets or \$500 million in assets or \$1 billion in assets, who now pay some estate tax, will be tax free. That is what "repeal" means.

I happen to believe we ought to change the estate tax to provide a significant exemption so that no small business and no family farm gets caught in the estate tax. I don't want people to try to leave the family farm or the small business to their children, only to discover there will be a crippling estate tax to pay. So I say, let's get rid of that situation. Let's provide an exemption—\$8, \$10 million—that takes care of the vast majority of cases.

But how about those folks who leave half a billion dollars or \$1 billion? Do we really want to repeal the estate tax on that kind of estate? There are other and competing needs for the revenue involved. For example, we could pay down the Federal debt; we could provide a larger tax credit for college tuition; we could invest in elementary and secondary education; we could provide tax relief to middle-income families rather than to the wealthiest estates in the country.

I happen to believe we should change the estate tax, but I don't believe we ought to repeal the estate tax for the largest estates.

The majority leader says the problem is with the Democratic side of the Senate. No, the problem is that yesterday

the majority leader came to the floor of the Senate and tried to pass the repeal of the estate tax by unanimous consent. No debate, no discussion, no amendments, \$750 billion of tax cuts in the second decade after repeal—\$750 billion in tax cuts by unanimous consent, without any debate, and without any amendments. That is what he tried to do yesterday. We objected to that.

Yesterday we proposed that he bring up this measure under a regular order. The majority leader objected to that. Democratic leaders proposed that the majority leader bring the bill up and allow 6, 8, or 10 amendments, with time agreements. But the majority leader has objected to that.

His position is: I want my way or no way. I want to bring it up and repeal all of the estate tax, which would mean generous tax cuts for the wealthiest estates in this country. If we don't do it his way, we were told, we won't have an opportunity to offer any amendments. That is the majority leader's position. The people elected to the Senate on this side of the aisle will not be able to offer amendments. He says in effect, "We have an idea, we intend to push that idea, we demand a vote on that idea, and, by the way, you, Senators, don't have any right to offer amendments."

That is the majority leader's position. That is not a position that is acceptable to me. It is not the way the Senate ought to work. There is something called a regular order.

Mr. DURBIN. Will the Senator yield?

Mr. DORGAN. I am happy to yield to the Senator.

Mr. DURBIN. I thank the Senator for raising the point that they were going to pass a \$750 billion tax break for the wealthiest people in America, those who pay estate taxes, and do it without one minute of committee hearings—I see the chairman of the Senate Finance Committee on the floor—not a minute of hearing. This was going to be done without any discussion, any debate, \$750 billion in tax breaks.

I ask my colleague, the Senator from North Dakota, whether or not he believes it also says something about the priorities of the Congress, that of all the different people who could be helped by this Congress, the highest, the single most important priority for the Republicans turns out to be the wealthiest. When it comes to helping people pay for their prescription drugs, when it comes to helping people, dealing with areas such as difficulties with HMOs, folks don't even have a voice in this debate. They are not even being considered.

Would the Senator address the whole question of prioritization, as to whether or not we are making the right decision in terms of helping the people who really need it the most in this country?

Mr. DORGAN. The Senator from Illinois is correct.

Let me correct something I said a moment ago. The majority leader yesterday tried to bring up H-1B legislation, not the estate tax. I was mistaken about that. I should have known better. I was on the floor at that time, as a matter of fact.

But it is true that the majority leader wants to bring up the estate tax and say to half of the Members of the Senate: You don't have a right to offer amendments, and if you don't like it, tough luck. That is what the issue is about.

The Senator from Illinois asked the question, Shouldn't this proposed repeal be measured against other priorities, and shouldn't this suggest what is important in the Senate? It sure does. There is not the time or the energy or the inspiration on the part of those who control the agenda in the Senate to have a real debate about protecting people against HMOs, and to try to pass a Patients' Bill of Rights. No, there is not time for that. Can we work to put a prescription drug benefit in the Medicare program? No, not quite enough time for that either. In fact, the other side understands that is an important issue, so they have cobbled together a goofy proposal that says OK, the senior citizens are having trouble affording prescription drugs, so let's give a subsidy to the insurance companies. Even the insurance companies see through that. They have come to my office—and I assume to the Senator's office—and said: We will not be able to offer a prescription drug plan. We would have to charge \$1,200 for a plan that has \$1,000 in benefits.

The point the Senator from Illinois makes is we have other priorities. Those other priorities somehow don't get to the floor of the Senate because the big priority at the moment is to give an estate tax repeal to the largest estates in the country.

As I said, I think we ought to provide a significant exemption so that every family farm and every small business can be transferred to the kids upon the death of the parents, with no estate tax at all—none, zero. However, when a billionaire or someone with \$500 million in assets dies and there is an estate, is it not unreasonable to have some transfer here, some estate tax, in order to use those resources for other purposes, such as reducing the Federal debt, providing middle income tax relief—a whole range of urgent needs? Is that not a reasonable thing? That is what we ought to measure this against.

Mr. DURBIN. Will the Senator yield?

Mr. DORGAN. I am happy to yield to the Senator.

Mr. DURBIN. If the Republicans have their way to totally repeal the estate tax for the wealthiest in America and take \$750 billion out of the surplus for that purpose, doesn't that diminish the likelihood, doesn't that reduce the possibility, that we will have the resources to pass a meaningful prescription drug benefit for the elderly and disabled in America, one that helps all

of them pay for the outrageous cost of prescription drugs?

Mr. DORGAN. I say to the Senator from Illinois, it is exactly as he states. With the wonderful economy we have had and the surpluses that are expected, there is a certain amount of revenue available. The priority, for the majority side, is to repeal the estate tax, including that top half of the estate tax that applies to the wealthiest estates in the country. If we follow this priority, that will crowd out the ability to do other things.

This is a question of making judgments about what is important, what is the priority of this Congress. Should we provide a prescription drug benefit for Medicare? Should this Congress make the investments in education that we should make? Should this Congress decide we should pay down the Federal debt? Should this Congress decide college tuition should trigger an increased tax credit that helps kids go to college? These are all priorities, and there are more of them that we ought to measure against this proposal to repeal the estate tax for the largest estates in the country.

As I said, it is a matter of priorities, and it is also a matter of will. What do we have time to do in the Senate? We are told by the majority leader that we do not have enough time to deal with Patients' Bill of Rights, prescription drugs for Medicare, the minimum wage, closing the gun show loophole. We do not have time for those things, we are told, but we have plenty of time for the things the majority wants to do. We have plenty of time to decide to repeal the estate tax completely, including repeal for the largest estates in the country. Do my colleagues know what that will do on average to an estate above \$20 million? It will provide about a \$12 million tax cut for the estate.

Mr. DURBIN. Will the Senator yield for another question?

Mr. DORGAN. Yes, I yield.

Mr. DURBIN. Is the Senator telling me we could give estate tax reform, virtually exempt all family farms, all small businesses—say your business is worth \$8 million or less; you are not going to pay a tax on it; families with assets of \$4 million would not pay an estate tax—and still then have the resources to provide for a prescription drug benefit if we refuse to go along with the Republican approach which gives this estate tax break to the very wealthiest in America, those in the multimillion-dollar, maybe even billion-dollar category?

Mr. DORGAN. I say to the Senator from Illinois, that is exactly the case. In fact, one of the proposals we offer as an amendment that is prevented by the majority leader would provide an \$8 million exemption for a small business or small farm.

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. ROTH. I yield 5 minutes to the distinguished assistant majority leader.

Mr. NICKLES. Mr. President, I remind my colleagues from Illinois and North Dakota, we have rules in the Senate, and that is to go through the Chair. The dialogs are interesting, but we are supposed to go through the Chair, and that has not happened in a while.

I want to correct some of the factual misstatements that were just made. My colleagues said we want to bring up the repeal of the death tax and offer no amendments. That is not correct. We have told our friends on the Democratic side that we will allow them to offer a substitute. They can have relevant amendments. We are willing to enter into time agreements to pass this bill. Frankly, what they want to do is unload an agenda they cannot pass.

My colleagues mentioned that we will not allow them a debate on the Patients' Bill of Rights. We already voted on it a couple of times. We voted on it last year, and we voted on it twice in the last month. The problem is they have a flawed proposal that will not pass and cannot pass.

We voted on the Patients' Bill of Rights. We voted on minimum wage. For them to say, instead of voting to repeal the death tax, which we are hopefully going to do, they have a lot of other things on which they would rather vote—we have given them votes on almost every issue that has been mentioned. On the death tax, we have said—and I will propound a unanimous consent request—we will have an amendment on each side; we will have three amendments on each side; we will consider their alternatives.

My colleague from Illinois said let's have an exemption, not change the rates; let's vote on this issue. We are willing to do that. The problem is our colleagues on the Democratic side really do not want a tax cut, period.

We are trying to eliminate the death tax so there will not be a tax on death. What there will be is a tax on the sale of the property when whomever inherits the property sells it. We will eliminate the taxable event on someone's death. This is a very significant and I believe one of the most positive things we can do if we want to help the economy, if we want fairness.

We are trying to help the small business people, the Democrats say; the Democrats are willing to do that. Hogwash. I used to run a small business. I did not want it to be small; I wanted it to be big. I do not know if it would meet the Democrats' definition. A lot of us really do believe we should eliminate the tax on someone's death and turn it into a taxable event when the property is sold. If individuals who receive this business or receive this property do not sell it, there will not be a taxable event. When they do sell it, there will be a tax, and that tax will be capital gains. That tax rate is 20 percent, not 39 percent, not 55 percent.

I want to correct a misstatement just made. We are willing to enter into time agreements. We are willing to consider

relative amendments, substitutes. If they want to have a substitute that has an exemption, fine; let's vote on it. If they want to vote on an alternative, let's do it. We are willing to do it. But to say we are not willing to consider amendments and that it is "take our proposal that passed the House"—

Mr. DORGAN. Will the Senator yield?

Mr. NICKLES. In a moment I will.

The facts are, the cost over 10 years, which is the most we ever use, is \$104 billion. I heard them say it is \$750 billion. I do not know from where they are grabbing these figures. If we use that kind of analogy, it would be fun to see how much the tax increase of 1993 cost because if this tax cut is \$750 billion over the next 20-some-odd years, I would hate to think how much the cost of the tax increase the Democrats passed in 1993 is.

The facts are, the estate tax repeal is \$104 billion over the next 10 years. That is what passed the House. Hopefully, that is what the Senate will pass today, tomorrow, or in the near future.

Mr. DORGAN. Will the Senator from Oklahoma yield?

Mr. NICKLES. Not on my time. I will be happy to yield under the Senator's time. I only had 4 minutes.

Mr. DORGAN. Can I take 30 seconds?

Mr. REID. I yield Senator DORGAN 2 minutes.

Mr. DORGAN. I respectfully say that the Senator from Oklahoma is not accurate when he says that his side is willing to entertain amendments; I do not see a problem here; let's bring it on and have amendments and a discussion. That is exactly what the majority leader has denied. That is exactly what the majority leader said he will not allow to happen on the floor of the Senate.

If the Senator from Oklahoma is speaking for the majority leader on this issue, I say get the Democratic leader on the line, make an agreement, and let's have this issue on the floor where some amendments can be offered and votes taken, and we will see how people feel about the estate tax.

The Senator from Oklahoma is not accurate in leaving the impression that this has been a reasonable circumstance here and they are willing to entertain all kinds of amendments. That is not the case at all. In fact, our side has offered a reasonable number of amendments with time agreements, and the majority leader has said no, and that is the fact.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I said the majority leader, to my knowledge, is willing to enter into a time agreement and has given it to the minority leader. It said we will have relevant amendments. I have a list of amendments on prescription drugs, long-term health care, Medicare, retirement—in other words, a lot of things on the Democrats' agenda that have not been accomplished.

I said relevant amendments pertaining to the death tax and, unfortu-

nately, our Democratic colleagues have not been willing to comply or agree. I had hoped we would have had a little less partisan exchange on a Tuesday morning. Let's go back to the Cloakroom and come up with two or three relevant amendments dealing with this issue and vote. That is the way we should work.

Mr. DORGAN. Do I have time remaining on the 2 minutes?

The PRESIDING OFFICER. The Senator has 1 minute remaining.

Mr. DORGAN. I say to the Senator from Oklahoma, there is nothing partisan in my intent to correct the impression left by the Senator from Oklahoma. I was simply saying that proposals have been made on the specific number of amendments and time agreements by our side and the majority leader has rejected them.

The Senator from Oklahoma seemed to suggest they are willing to entertain this, that, and the other thing; they are very reasonable; they will accept amendments. I was simply trying to correct a misimpression. I did not intend to be partisan.

This is an important issue. There are differences in how we view the issue. I happen to think we should change the estate tax so no small business or family farm ever gets caught in its web. We can do that. An \$8 million or \$10 million exemption would mean that virtually no family farm or small business ever would get caught in the web of the estate tax. But I do not happen to believe we should totally exempt the largest estates in this country from the estate tax. That is the difference.

Let's debate that difference and have amendments on the choices and make judgments as a Senate. It is not my intent ever to be partisan about this issue, but I want the right information to be given, and the right information is that we offered limited amendments and limited time agreements, and they were rejected.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. I yield 2 minutes to the Senator from Arizona.

Mr. KYL. Mr. President, Senator NICKLES made the point that the amendments the minority have sought to bring up have nothing to do with repeal of the death tax. That is why the majority leader said he will enter into an agreement with them but let's make it relevant and germane to the issue before the Senate.

When the American people see us going through these charades, I wonder how they can have any confidence in a body that seems to be so partisan and intent on changing the subject.

We have one subject before us today: repeal of the death tax. It is the House bill that passed overwhelmingly. Why can't we simply consider this bill with relevant and germane amendments? Why do we have to get off into prescription drugs and the rest?

Our distinguished colleague from North Dakota has said there is an al-

ternative with respect to the repeal of the death tax. I would like to take that on because it relies on a section of the code today that is absolutely unworkable. Two-thirds of the cases that have been brought with respect to this section of the code have been won by the IRS. It does not work. Try to qualify, if you are a small business or a farm, under the section that they are taking about; you are not going to get relief. It is a sham proposal.

You can raise the exemption all you want, but if the definition precludes you from qualifying, you have not gained a thing. I can't wait to debate the alternative that the members of the minority want to propose. I will agree, right now, to consider that as an amendment that we would vote on here. If we can agree to consider that, we can move right on to the consideration of the death tax repeal because the provision they are talking about is unworkable, it is unfair, and it will not provide an adequate alternative to the repeal of the death tax that is called for under H.R. 8, the House-passed bill.

I urge my colleagues to support the cloture motion so we can get on with the debate about how we can finally bring an end to this most unfair and pernicious section of the Tax Code.

I welcome a debate of any germane alternative that members of the minority would like to present because I think when you hold them up side by side, H.R. 8 will win.

The PRESIDING OFFICER (Mr. FRIST). The Senator from Delaware.

Mr. ROTH. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I rise today in support of the motion to proceed to H.R. 8, the Death Tax Elimination Act of 2000, which overwhelmingly passed in the House by a vote of 279-136. I point out that it was a bipartisan vote. It included 65 Democrats. So this legislation that we are about to proceed to has significant bipartisan support.

This is an historic opportunity to repeal the onerous estate and gift taxes which currently have rates as high as 60 percent. In an age of surpluses where taxpayers are, indeed, paying too much, it is time to repeal the estate and gift taxes. Families who toil all their lives to build a business and diligently save and invest should not be penalized for their hard work when they die. Their assets were already taxed at least once—and it is unconscionable that their estates are taxed again at rates as high as 60 percent on the value of their assets at the time of their death.

This bill would address this problem.

I point out, we have held hearings on estate taxes in the Finance Committee as of the last Congress. It is the Finance Committee that is the committee of jurisdiction.

I also point out, this bill is substantially similar to the estate tax provisions in the tax bill that was vetoed by

the President last year. Some may ask why this House bill did not come through the Finance Committee. The reason is that the bill holds to the estate tax provisions the House and Senate agreed to last year. Since the Finance Committee has already debated and approved these provisions and we have negotiated these provisions with the House, I saw no need to delay the bill in the committee and perhaps kill the chance of repealing the tax.

Now, I would like to briefly go through the bill before us. I point out, there are really two time periods to which the bill applies. In the first period, generally from 2001 to 2009, estate tax relief is provided on several fronts. In the second period, beginning in 2010, the entire estate and gift tax regime is repealed.

During the first part, from 2001 to 2009, the estate and gift tax rates are reduced on both the high end and low end. On the low end, currently, there is a unified credit that applies to the first \$675,000 of an estate. That amount is scheduled to rise to \$1 million in 2006.

While current law provides some relief for the smallest estates, for modest estates, those above the credit amount, a high tax rate applies. For example, now a decedent's estate of \$750,000 faces a tax rate of 37 percent on each dollar over the credit amount. Keep in mind that is where the rate starts. For larger estates, the rates can be as high as 60 percent.

For the lower end estates, the bill converts the unified credit to an exemption. What this means is that estates right above the unified credit amount will face tax rates starting at 18 percent rather than 37 percent. In other words, for modest size estates, this bill cuts the tax rate in half.

For the larger estates, some now facing marginal rates as high as 60 percent, the bill includes a phased in rate cut. The rates are reduced from the current regime, with its highest rate of 60 percent, down to a top rate of 40.5 percent for the highest end estates. Please keep in mind that the base of the tax is property, not income, and the rate is still above the highest income tax rate of 39.6 percent.

Prior to full repeal in 2010, the bill would also expand the estate tax rules for conservation easements to encourage conservation. In addition, the bill provides simplification measures for the generation skipping transfer tax.

In 2010, the whole estate and gift tax regime is repealed. At the same time, a carryover basis regime is put in place instead of the current law step up in basis. This means that all taxable estates—and I emphasize we are only talking about taxable estates—that now enjoy a step up in basis will be subject to a carryover basis. Carryover basis simply means that the beneficiary of the estate's property receives the same basis as the decedent. For example, if a decedent purchased a farm for \$100,000, and the farm was worth \$2 million at death, the tax basis in the

hands of the heirs would be \$100,000. The step in basis is retained for all transfers in an amount up to \$1.3 million per estate. In addition, transfers to a surviving spouse receive an additional step up of \$3 million.

As I have already pointed out, the House passed the bill on a bipartisan basis with 65 Democrats voting in favor of repeal of the estate and gift taxes. Now is the Senate's opportunity to pass this bill on a bipartisan basis and send it to the President. It is my understanding this will be the only chance this year that we will have to pass this bill and repeal estate and gift taxes. If we fail, the bill dies. If we come together and vote in favor of the house bill—estate tax repeal that the Congress passed last year—it will go directly to the President for his signature.

Our family-owned businesses and farms must not be denied this relief. This should not be a partisan issue.

Unfortunately, the White House has indicated its opposition to repeal of estate and gift taxes and has promised to veto this bill. With roughly \$2 trillion of estimated non-social security surpluses over the next 10 years, I believe the approximately \$105 billion cost of repealing estate and gift taxes to be well within reason—it is only about 5 percent of the projected budget surplus. Other than being a money grab—estate and gift taxes do not serve any legitimate purpose.

Taxpayers are taxed on their earnings during their lives at least once. Our Nation has been built on the notion that anyone who works hard has the opportunity to succeed and create wealth. The estate and gift taxes are a disincentive to succeed and should be eliminated.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the distinguished chairman have as much time as he requires to finish his address, which I see is not much longer.

Mr. REID. Mr. President, I ask unanimous consent the vote scheduled for 10:15 be delayed until the Senator from Delaware and the Senator from New York have time to finish their statements. They are both managing this bill and should have an opportunity to speak.

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

Mr. ROTH. Mr. President, as I was saying, the estate and gift taxes are a disincentive to succeed and should be eliminated. I believe it is the right thing to do. I urge my colleagues to vote in favor of the motion to proceed to this bill to repeal the estate and gift taxes.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, as a New Yorker—and I am sure my esteemed chairman will understand—I rise in defense of Theodore Roosevelt's estate tax: One of the great achieve-

ments at the beginning of this century and of the last century—although we have members of the Finance Committee staff who still think we are in the last century, but we won't get into that matter. Today, we are here to decide if a century later we should repeal it.

Again, I don't want to press this on my colleague and friend, the Senator from Delaware, but this matter should be in the Finance Committee. My friend doesn't have to say a word. We are the Committee that considers tax matters. It should have been referred to us and not sent directly to the floor.

When we begin the debate and the voting begins, the Democrats will have an alternative. It is simple. I say forthwith and I will say no more, it is less costly than the measure we have received from the House. We would increase the general exemption from the present \$675,000 to \$1 million immediately—it was scheduled to rise to that level in the year 2006—and then to \$2 million in the year 2009. We would increase the exemption for family-owned businesses and farms from \$1.3 million to \$2 million immediately and to \$4 million by the year 2009. This increase would eliminate the estate tax on virtually all family farms and 75 percent of family-owned businesses that would otherwise be subject to the estate tax. This measure will cost \$64 billion over 10 years, roughly half the cost of the Republican proposal.

Of course, the measure the House has sent us, as our Chairman has stated, in the year 2010 repeals all estate taxes, and thereafter the true cost would be approximately \$50 billion each year indefinitely.

We think this is an extravagant proposal driven by the legitimate politics of the hour. I understand that. I understand the President will veto the measure. I look forward confidently to its being passed and vetoed and not forgotten. It will be raised in the campaign. That, too, is legitimate.

But I have to say, sir, having lived on a farm for 36 years in upstate New York, the dairy farming world of that State has not prospered for half a century. We have a considerable number of meadows, in one of which the press gathered just a year ago last week to have Mrs. Clinton announce her candidacy for the seat I have the honor to hold right now. There were hundreds of journalists there. It amazed the world to look at it.

Sir, I have to suggest that if we had an equal gathering of family farmers in New York State whose farms would sell for \$2 million, the turnout would be desultory and the press would report disaster. Does anybody here know a family farmer whose farm is worth \$2 million a year? I don't mean farms in the eastern end of Long Island where viniculture takes place.

Mr. ROTH. I do.

Mr. MOYNIHAN. My dear and esteemed chairman says he knows a family farmer whose farm is worth more than \$2 million.

Mr. ROTH. In Delaware.

Mr. MOYNIHAN. Therein, sir, lies the difference between the Democratic and Republican parties. I know of no such farmer; my friend from Delaware does. What more can I say? How pleased I am for him; how regretful I am for the toil-driven, poverty-stricken farmers of upstate New York.

With that, sir, the vote being announced 4 minutes late, I yield the floor and suggest we proceed under the order.

# DEATH TAX ELIMINATION ACT— MOTION TO PROCEED

## CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The assistant legislative clerk read as follows:

## CLOTURE MOTION

We the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the motion to proceed to Calendar No. 608, H.R. 8, a bill to amend the Internal Revenue Code of 1986 to phase out the estate and gift taxes over a 10-year period:

Trent Lott, Bill Roth, Charles Grassley, Larry E. Craig, Chuck Hagel, Jeff Sessions, Pete Domenici, Strom Thurmond, Jon Kyl, Thad Cochran, Jim Bunning, Craig Thomas, Kay Bailey Hutchison, Susan M. Collins, Don Nickles, and Wayne Allard.

The PRESIDING OFFICER. By unanimous consent, the quorum call has been waived.

The question is, Is it the sense of the Senate that debate on the motion to proceed to H.R. 8, a bill to amend the Internal Revenue Code of 1986 to phase out the estate and gift taxes over a 10-year period, shall be brought to a close?

The yeas and nays are required under the rule.

The clerk will call the roll.

The assistant legislative clerk called the roll.

The yeas and nays resulted—yeas 99, nays 1, as follows:

[Rollcall Vote No. 173 Leg.]

## YEAS—99

Abraham	Craig	Hutchinson
Akaka	Crapo	Hutchison
Allard	Daschle	Inhofe
Ashcroft	DeWine	Inouye
Baucus	Dodd	Jeffords
Bayh	Domenici	Johnson
Bennett	Dorgan	Kennedy
Biden	Durbin	Kerrey
Bingaman	Edwards	Kerry
Bond	Enzi	Kohl
Boxer	Feingold	Kyl
Breaux	Feinstein	Landrieu
Brownback	Fitzgerald	Lautenberg
Bryan	Frist	Leahy
Bunning	Gorton	Levin
Burns	Graham	Lieberman
Byrd	Gramm	Lincoln
Campbell	Grams	Lott
Chafee, L.	Grassley	Lugar
Cleland	Gregg	Mack
Cochran	Hagel	McCain
Collins	Harkin	McConnell
Conrad	Hatch	Mikulski
Coverdell	Helms	Moynihn

Murkowski	Santorum	Stevens
Murray	Sarbanes	Thomas
Nickles	Schumer	Thompson
Reed	Sessions	Thurmond
Reid	Shelby	Torricelli
Robb	Smith (NH)	Voinovich
Roberts	Smith (OR)	Warner
Rockefeller	Snowe	Wellstone
Roth	Specter	Wyden

## NAYS—1

Hollings

The PRESIDING OFFICER. On this vote, the yeas are 99, the nays are 1. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

Mr. ROTH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. ENZI). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

The Senator from Montana.

## UNANIMOUS-CONSENT REQUESTS

Mr. BAUCUS. Mr. President, I ask unanimous consent that upon disposition of the Interior appropriations bill, the Senate proceed to the consideration of the China PNTR legislation and that the first amendment in order to the bill be Senator THOMPSON'S China sanctions amendment.

The PRESIDING OFFICER. Is there objection?

Mr. GREGG. Mr. President, reserving the right to object, obviously, the PNTR bill is an extremely important bill. This body understands that. Certainly those of us on this side of the aisle who have been the force for expanding trade in this world, who have been basically the majority vote of things the President has wished to do—for example, on the African free trade agreement and on NAFTA, two areas where it was really our side of the aisle that carried the ball for the administration, as they tried to open our trade opportunities across the world—are strongly supportive of the concept of PNTR.

But there is still a fair amount of work that has to be done before we can bring it to the floor. Specifically, as was alluded to, there is the Thompson amendment, which would be nice to be able to deal with independent of PNTR. There are also other issues which we are going to have to address before the PNTR is ripe for consideration.

So at this point I would have to object, although it is clearly the intention of our side of the aisle to bring up the PNTR issue and to hopefully pass it, as we did with NAFTA and as we did with the African free trade agreement. So I object.

The PRESIDING OFFICER. Objection is heard.

Mr. BAUCUS. Mr. President, I hope the majority side will not object. PNTR transcends all other issues that are before the Senate. It is an international issue. It is a public policy, a

foreign policy issue, one which clearly falls in the category of politics stopping at the water's edge.

This measure is monumental in its implications. It must pass. The sooner it passes, the better. Delay is danger. We all know that our relations with China are extremely important but also tenuous. The more this issue is delayed, the more likely it is that some untoward, unanticipated, unexpected event might occur which would deteriorate relations between our two countries and make it more difficult to pass a very needed piece of legislation.

I understand the majority's concern about scheduling, about appropriations bills, about other matters. But I strongly urge the majority party and the leader of the majority party, who correctly sets the schedule, to put politics beyond this, to put policy, public interest, and national security above all the other concerns that are legitimate here in the Senate because once PNTR is set for a vote this month, I predict that the logjam will break. It will be easier then to take up other measures.

I very strongly urge the Senator from New Hampshire to pass the word on to the majority leader, and others, of the importance of bringing this bill up in July—this month, a date certain—so we can begin to establish a relatively comprehensive and solid relationship with the country that is going to be probably one of the most important countries that this country is going to be dealing with in this next century. It is absolutely critical.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Democratic leader.

Mr. DASCHLE. Mr. President, I commend the distinguished senior Senator from Montana for making the point again, with his unanimous consent request this morning, that we are simply asking for a date certain.

I am concerned that this issue, as was discussed and reported yesterday, could slip into September. If it slips into September, it might not be considered at all. In September there will be little opportunity to confront what we know is going to be a difficult challenge for us in terms of procedural factors in the consideration of this legislation.

So I have a very deep concern about this legislation slipping. This needs to be done this month. It ought to be done this week. We are going to continue to press for its consideration. I applaud the Senator from Montana in his willingness to do it.

There is an array of legislation that has been left undone. We will call attention to those issues as often as we can to encourage and to welcome the involvement and participation on the other side.

Another issue is the H-1B bill. It has been languishing now for a long period of time. I have expressed a willingness to cut down the amendments that we

know are pending on the H-1B bill from the scores, maybe even over 100 amendments that could be offered to 10 amendments with time limits—with time limits. We would be willing to consider the H-1B bill with a time limit on each amendment, taking it up as soon as possible, in an effort to get that legislation passed as well. For whatever reason, the majority has continued to refuse to allow us consideration of the H-1B legislation as well.

The Patients' Bill of Rights, the prescription drug bill, the minimum wage bill, education amendments, the juvenile justice legislation—there is a legislative landfill, that gets larger and larger, in large measure because of the reluctance and outright opposition on the part of some of our colleagues on the other side to deal with these issues in a constructive manner in order that we may complete them yet this year.

Mr. DASCHLE. So, Mr. President, I again ask unanimous consent that upon the disposition of the Interior appropriations bill, the Senate proceed to the consideration of S. 2045, the H-1B visa bill, that it be considered under the following time agreement: One managers' amendment; that there be 10 relevant amendments per each leader in order to the bill; that relevant amendments shall include those related to H-1B, technology-related job training, education and access, and/or immigration; that debate on those amendments shall be limited to 30 minutes, equally divided in the usual form, and that relevant second-degree amendments be in order; that upon the disposition of the amendments, the bill be read a third time and the Senate vote on final passage.

The unanimous consent request would allow us to complete the H-1B bill in one day—one day. So I am hoping our colleagues will agree to this. I ask that unanimous consent at this time.

The PRESIDING OFFICER. Is there objection?

Mr. GREGG. Mr. President, reserving the right to object, the H-1B bill happens to be a priority of this side of the aisle. I would be happy to move to this if we could move to the H-1B bill. Unfortunately, the Democratic leader isn't proposing that we move to the H-1B bill. What the Democratic leader is proposing is that we move to an extraneous agenda attached to the H-1B bill, that we bring to this bill debate on all sorts of issues which have no relevance to H-1B. In fact, we have offered, on this side of the aisle, to bring up the H-1B bill with relevant amendments. That has not been accepted by the other side of the aisle.

We are continuing to be agreeable to bringing up the H-1B bill with relevant amendments. There is no question but that we should pass the H-1B bill. I do sense a touch of crocodile tears coming from the other side of the aisle because, as a practical matter, almost all the bills that are listed as being held up, such as the education bill—the

PNTR is a little different class, but the H-1B bill, for sure—are being held up not because of the underlying bill, not because the underlying issue is in contest as to whether or not we should take it up—we are perfectly willing to take up those issues on this side of the aisle and have propounded a series of unanimous consent requests to accomplish exactly that—but it is because there is a whole set of other agenda items, which the Democratic leader has a right to and desires to bring up, but he cannot bring them up on those bills and then claim he is bringing up those bills, because he is not bringing up those bills; what he is bringing up is those bills plus an agenda as long as my arm of political issues that they wish to posture on for the next election.

If he wishes to bring up the H-1B bill with three relevant amendments, or even five relevant amendments, on each side, we would be happy to accept that type of approach.

I have to object to the present proposal, but I would be happy to propound a unanimous consent which limits its discussion to relevant amendments, if the Democratic leader is willing to pursue a course of bringing up H-1B with relevant amendments. On the proposal as laid out by the Democratic leader, I object.

The PRESIDING OFFICER. Objection is heard.

The Democratic leader has the floor.

Mr. DASCHLE. Mr. President, to respond, I don't know what would be nonrelevant about technology-related job training. Is that relevant to H-1B? Of course, it is. I don't know what would be nonrelevant about technology-related education amendments. What could be nonrelevant about a technology-related education and access amendments? What is nonrelevant about immigration amendments? We are talking about the possibility of allowing 200,000 new immigrants to enter our country to work. We want to offer amendments we feel are relevant to H-1B, and we are not allowed.

Senators want to be Senators. In the Senate, we offer amendments to bills. We want to get this legislation passed as well. In the true tradition of the Senate, we ought to be able to offer amendments, relevant amendments.

Mr. GREGG. Mr. President, if the Senator will yield for a question, that is our position.

Mr. DASCHLE. I am happy to yield to the Senator from New Hampshire for a question.

Mr. GREGG. If the Senator's position is he is willing to allow relevant amendments, then we can develop a unanimous consent request which says "relevant amendments." Is that the Senator's position? The Senator just used the word "relevant" three times to describe the amendments he would propound. Therefore, it should not be a problem for the Senator to offer relevant amendments.

Mr. DASCHLE. Does the Senator from New Hampshire not think these issues are relevant?

Mr. GREGG. Mr. President, I always allow the Parliamentarian to determine relevancy, as the Democratic leader has always allowed the Parliamentarian to determine relevancy. That is why, when we use the term "relevant," if we both agree on the term "relevant," let's put it in the unanimous consent request and move forward.

Mr. DASCHLE. I am more than happy to deal with relevant amendments. Of course, as the Senator from New Hampshire knows, according to the strict definition of the word "relevance," our amendments would have to be related specifically to H-1B. He is unwilling to talk about relevant amendments as we understand it in the English language. Under the common understanding of the English language, "relevance" would allow the consideration of an immigration-related amendment during the H-1B debate because the H-1B bill is an immigration bill. It would allow technology-related education amendments to be considered relevant to the H-1B bill in this context. Certainly, technology-related job training amendments would be "relevant" under our common understanding of that term, but you can hide behind those specific defenses if you like. Again, I am happy to yield.

Mr. GREGG. Is it the position of the Senator that the Senate does not function under the English language?

Mr. DASCHLE. It is the position of this Senator that the term "relevant" fits the amendments that we have attempted to offer. Of course, the reason why our colleagues don't want to deal with these issues is not because they are not relevant. It is because they don't want to vote on immigration issues. They don't want to vote on education. They don't want to vote on technology-related job training. They have a take-it-or-leave-it approach to consideration of important legislation such as this.

We can go back to the time when they were in the minority. Relevance was never a question then for them. Then relevance was something they considered and accorded the right of every Senator, just as we are now advocating. We are talking about relevance. We are talking about the importance of relevant amendments.

Mr. KENNEDY. Will the Senator yield for a question?

Mr. DASCHLE. I am happy to yield to the Senator from Massachusetts.

Mr. KENNEDY. In response to the Senator, one of the amendments is to try to make sure that in the future there is going to be adequate training so we are not going to have to offer these jobs necessarily to immigrants, but they would be available to Americans who do not have those skills. To make an argument on the floor of the Senate that we are going to deny American workers the kind of training



to get these high-paying jobs and participate in the expanding economy is just preposterous. That evidently is what the Senator from New Hampshire is doing. That is one of the key amendments that has been objected to by the Republicans.

This is what we are trying to do, to have training programs that are basically structured or organized, or education in the computer sciences through the National Science Foundation, through existing training programs so that we are not duplicating other training programs. It has been objected to.

I commend our leader. These are common sense amendments to an issue which can mean a great deal in an expanding economy and can make a great difference to American workers.

I cannot understand—I do understand because I think the Senator has been correct—why our Republican friends are constantly objecting to common sense measures which are absolutely relevant and absolutely essential in terms of the H-1B issue.

Mr. DASCHLE. The Senator from Massachusetts is absolutely right. He said it so eloquently. This is a relevance issue. Whether or not we continue to allow immigrants who come in to meet certain skill demands in this country is directly relevant to whether or not we are going to have an educated workforce. It is directly relevant to whether or not we are going to put the resources forward to train American workers in order to ensure that we might someday fill these jobs with workers from this country. If that is not relevant, I really don't know what is.

I yield to the Senator from North Dakota.

Mr. DORGAN. Mr. President, I appreciate the Senator from South Dakota yielding. Since the Senator from New Hampshire wants to discuss the meaning of the term "relevant," as the Senator from New Hampshire knows, the rules of the Senate have words that are used and interpreted in very narrow and unique ways. The term "relevant" has a very narrow meaning here in the Senate by which we make a judgment about which amendments might be in order. But the term "relevant" is not related to common sense, in the Senate at least.

Let me give an example. On the issue we were talking about this morning, the estate tax repeal proposed by our friends on the other side of the aisle, the Forbes 400 wealthiest Americans would benefit to the tune of \$250 billion in 10 years. Now, if one says, as they propose, let's give a \$250 billion tax exemption to the 400 wealthiest Americans as identified in Forbes magazine, and if we say, we have another idea for that tax repeal—instead of giving that tax relief to the 400 wealthiest Americans, let us instead give it to middle-income families with an enlarged tax credit for tuition so they can send their kids to college; or let us widen

the 15-percent bracket to enable more families to take advantage of that low rate; or let us enact a prescription drug benefit for people who need prescription drug coverage—in short, if we propose a different way to use that revenue that in our view would be more effective and more important, we are told that is not relevant. You can't offer that, we hear. That is not relevant.

Of course it is relevant. My colleague just talked about common sense. Someone once described common sense as genius dressed in work clothes. There is no common sense on the issue of relevancy with respect to the Senate rules. Yet that is exactly the shield behind which they want to hide on these issues.

We have a right to offer amendments. We have a right to offer amendments that relate to the subject at hand. The proposal by the majority side is to prevent us from that opportunity. Our reaction to that is, "Nonsense." We have a right to do that. We have an absolute right to do that, as Members of the Senate.

Mr. DASCHLE. Mr. President, reclaiming the floor, let me end by saying again, I am disappointed.

I note the Senator from New Hampshire offered a sense-of-the-Senate resolution relating to Social Security on the Commerce-State-Justice bill in the last Congress. There was no concern then about whether it was relevant or not. Our distinguished majority leader offered an amendment relating to prayer in schools and at memorial services on the juvenile justice bill last year. Again, there was no concern about relevance. Senator HELMS offered an amendment that some of us may recall having to do with a patent for the Daughters of the Confederacy on the community service bill. He also offered a Lithuanian independence resolution on the Clean Air Act. Senator NICKLES offered an amendment to require a supermajority for tax increases on the unemployment insurance extension. Senator ROTH has offered tax cuts on appropriations bills.

There is a lot of interesting history having to do with relevance and amendments that may or may not pertain directly to the bill under Senate consideration. That is all we are asking.

What is even more noteworthy is the fact that we are willing to limit ourselves to 10 amendments with time limits. You can't do much better than that. What is good for the goose is good for the gander. If we could accommodate our distinguished colleagues in the past when they have offered amendments, certainly they should accommodate us. That is why the relevancy issue is so important here.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, the issue being debated and brought forward by the minority leader was that he wanted

to take up and discuss H-1B. The presentation was for the purpose, at least formally it appeared, of taking up the H-1B issue. We are willing to take up the H-1B issue. And we are willing to do it with relevant amendments. Now, the other side says that is not the English language and it is not common sense to use the term "relevant." That term has been used for the past 200 years in this body, and I think it is reasonable to continue to use it.

On a number of occasions, we have presented unanimous consent requests asking that we be allowed to take up the H-1B legislation with relevant amendments. In fact, the Democratic leader said specifically that the amendments he was talking about would be relevant. He used the term "relevant." I understand that was more in the context of not necessarily the Senate, but in any event he used the term "relevant."

Right now, I am going to propound a unanimous consent request. I ask unanimous consent that it be in order for the majority leader, after consultation with the Democratic leader, to proceed to Calendar No. 490, S. 2045, the H-1B legislation, and it be considered under the following limitations:

Three relevant amendments per each leader in order to the bill; No other amendments in order other than second-degree amendments which are relevant to the first-degree amendments.

I further ask unanimous consent that following the disposition of the above amendments, the bill be read the third time and the Senate proceed to a vote on passage, with no intervening action or debate.

The purpose of this unanimous consent request is to bring up the H-1B visa issue, which I believe should be brought to the floor with relevant amendments.

Mr. REID. Mr. President, reserving the right to object, we have certainly made clear that in 1 day we would totally complete the debate on this legislation. Under the unanimous consent agreement we have offered, in 1 day we would be completed with H-1B. In fact, in the time we have spent procedurally trying to get this done, we would have already finished two amendments.

I think we would be much better off treating the Senate as the Senate. My friend from New Hampshire said for 200 years there has been a meaning of "relevance" in the Senate. Of course, that is true. It has changed under different precedents that have been set, but we think the one thing that has not changed—but they are trying very hard to change it—is how debate proceeds in the Senate. We are willing to even change how we feel we should proceed. We believe H-1B should be brought up and that debate should be completed on it. We would be through with that probably in 2 days. We are willing to cut that back to 1 day. I respectfully say that I object and I offer again, without restating it, the unanimous consent request.



The PRESIDING OFFICER. Objection is heard. The Senator from New Hampshire has the floor.

Mr. REID. Mr. President, I suggest to my friend from New Hampshire that he strongly consider the agreement we have offered—that H-1B be brought up and debate be completed in 1 day. That is what we should do. It would be better for the Senate and for the country.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. ROTH. Mr. President, what is the regular order?

The PRESIDING OFFICER. Debate on the motion to proceed on the bill under cloture, with 30 hours of debate for consideration.

Mr. REID. Mr. President, I ask my friend this, without his losing the floor. There are a number of Senators here to speak postcloture and debate the motion to proceed. Perhaps, we can agree on some order that people could speak. On your side, you have seven Senators and we have about the same number. Each person is entitled to 1 hour. People on our side would be willing—with the exception of one Senator—to take 30 minutes. I wonder if it is agreeable.

Mr. ROTH. Thirty minutes a person?

Mr. REID. Yes, instead of the 1 hour to which they are entitled. I wonder if you would agree to alternate back and forth—the majority and minority.

Mr. ROTH. I think we can agree to alternate back and forth; but as to who, at this time, we are not certain in what order. I will go ahead, and why don't we have some informal discussions to see how we proceed after that?

Mr. REID. That is appropriate. In the meantime, our people will speak.

Mr. ROTH. Mr. President, I rise today in support of the majority leader's motion to proceed to H.R. 8, the Death Tax Elimination Act of 2000, which overwhelmingly passed in the House by a vote of 279-136. As I pointed out before, that vote of 279 included 65 Democrats. So it was, indeed, a bipartisan vote in support of this legislation.

Before going into the details of the legislation, I'd like to talk about the rationale for this bill and the debate around it.

Some ask why are we concerned about the death tax. Only 2 percent of estates pay the tax. Many of those taxpayers have the resources to minimize the tax. Even if they have to pay the tax at rates approaching 60 percent, the balance of the estate is available for the beneficiaries. The other 98 percent of estates need not worry about it. Those in this position also argue that the revenue raised by the estate tax is better spent on Federal programs than kept by the children.

I guess it all depends on your perspective. The opponents of death tax repeal look at an estate as a thing, such as money or property, detached from the person that created it. From their view, it is a valuable resource for an ever-expanding Federal Government.

There is another view. If you look behind the statistics and revenue figures, you will see an estate as something that represents a lifetime of actions by the individuals and families. Every day a person makes decisions to sacrifice, work harder, and save. And every day these hardworking families are taxed on what they earn. Over a lifetime, this daily dedication adds up. It is natural that the families who created the wealth, by a lifetime of working hard and paying taxes, would want the benefit of their work to go to their families. That is, to stay within the family rather than be broken up and sent to Washington.

I take this latter view. Coming from a small state, like Delaware, I meet a lot of small business people and farmers. Everybody knows how hard these folks work, and if they are successful, they are in the position to pass along a family business or farm to their families. The death tax is a serious obstacle to these family farmers and small business people. Not only is a major portion of their hard work taken by the Federal Government, and spent here in Washington, DC, but the need for cash to pay the tax often ends up causing a sale of the farm or small business.

It is this fundamental unfairness, with particular grief inflicted on family farms and small business at the worst possible time, that, I believe, has resulted in bipartisan support for repealing the death tax. Nine Senate Democrats and 65 House Democrats, better than 20% of the Democratic caucuses of each body, support repeal of the death tax.

You're going to hear that family farmers and small businesses are already protected from the current death tax. Thanks to the Taxpayer Relief Act of 1997, we, on this side of the aisle, won a hard fought concession for estate and gift tax relief. Under that legislation, a family farm or small business couple can shield up to \$2.6 million, on a phased in basis, from the death tax. Since that legislation became law, however, I have heard that the provision is technically and practically difficult for family farmers and small businesses to use. It seems that the better and simpler approach is to rid our family farmers and small businesses of the burden of this tax.

I'd like to turn to the bill before us.

The bill is substantially similar to the estate tax provisions in the tax bill that was vetoed by the President last year. Some may ask why this House bill did not come through the Finance Committee. The reason is that the bill holds to the estate tax provisions the House and Senate agreed to last year. Since the Finance Committee has already debated and approved these provisions and we have negotiated these provisions with the House, I saw no need to process the bill in the committee.

There are really two time periods to which the bill applies. In the first period, generally from 2001 to 2009, estate

tax relief is provided on several fronts. In the second period, beginning in 2010, the whole estate and gift tax regime is repealed.

During the first part, from 2001 to 2010, the estate and gift tax rates are reduced on both the high end and low end. On the low end, currently, there is a unified credit that applies to the first \$675,000 of an estate. That amount is scheduled to rise to \$1 million in 2006.

While current law provides some relief for the smallest estates, for modest estates, those above the credit amount, a high tax rate applies. For example, now a decedent's estate of \$750,000 faces a tax rate of 37 percent on each dollar over the credit amount. Keep in mind that's where the rate starts. For larger estates, the rates can be as high as 60 percent.

For the lower-end estates, the bill converts the unified credit to an exemption. What this means is that estates right above the unified credit amount, will face tax rates starting at 18 percent rather than 37 percent. In other words for modest size estates, this bill cuts the tax rate in half.

For the larger estates, some now facing marginal rates as high as 60 percent, the bill includes a phased in rate cut. The rates are reduced from the current regime, with its highest rate of 60 percent, down to a top rate of 40.5 percent for the highest end estates. Keep in mind that the base of the tax is property, not income, and the rate is still above the highest income tax rate of 39.6 percent.

Prior to full repeal in 2010, the bill would also expand the estate tax rules for conservation easements to encourage conservation. In addition, the bill provides some simplification measures for the generation skipping transfer tax.

In 2010, the whole estate and gift tax regime is repealed. At the same time, a carryover basis regime is put in place instead of the current law step up in basis. This means that all taxable estates—again, I want to emphasize the words “taxable estates”—that now enjoy a step up in basis will be subject to carryover basis. Carryover basis simply means that the beneficiary of the estate's property receives the same basis as the decedent. For example, if a decedent purchased a farm for \$100,000 and the farm was worth \$2,000,000 at death, the tax basis in the hands of the heirs would be \$100,000. The step in basis is retained for all estates in an amount of up to \$1.3 million per estate. In addition, transfers to a surviving spouse would receive an additional step up in the amount of \$3 million.

The House passed the bill on a bipartisan basis with 65 Democrats voting in favor of repeal of the estate and gift taxes. Now is the Senate's opportunity to pass this bill on a bipartisan basis and send it to the President. It is my understanding this will be the only chance this year that we will have to pass this bill and repeal estate and gift taxes. If we fail, the bill dies. If we

come together and vote in favor of the House bill—estate tax repeal that the Congress passed last year—it will go directly to the President for his signature.

Our family owned businesses and farms must not be denied this relief. This should not be a partisan issue.

Unfortunately, the White House has indicated its opposition to repeal of estate and gift taxes and has promised to veto this bill. With roughly \$2 trillion of estimated non-Social Security surpluses over the next 10 years, I believe the approximately \$105 billion cost of repealing estate and gift taxes to be well within reason—it is only about 5 percent of the projected budget surplus.

Other than being a money grab—estate and gift taxes do not serve any legitimate purpose. They certainly don't keep people from dying.

Taxpayers are taxed on their earnings during their lives at least once. Our nation has been built on the notion that anyone who works hard has the opportunity to succeed and create wealth. The estate and gift taxes are a disincentive to succeed and should be eliminated. It is the right thing to do, and it is the right thing to do now.

It has been said that there are only two certainties: death and taxes. The two are bad enough, but leave it to the Federal Government to find a way to make them worse by adding them together. This is probably the worst example of adding insult to injury ever devised. Yet Washington perpetuates over and over again on hard working families who have already paid taxes every day they have worked.

I urge my colleagues to support the motion to proceed to this bill.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. DORGAN. Mr. President, I listened with interest to the discussion by the Senator from Delaware. This is an issue brought to the floor of the Senate by those folks who believe that the estate tax ought to be repealed over the next 10 years—that it ought to be phased in and repealed completely. They call it a death tax.

There are some things we agree with and other things on which we don't agree. Let me discuss an area of agreement. I think most Members of Congress believe the estate tax ought to be reformed in a manner that prevents a small business or family farm that is being passed from the parents to the children from having some sort of crippling estate tax apply to that transfer. I think almost all Members agree that should not happen. We want to encourage the transfer of a family farm and a small business to the children. We want to encourage parents giving their family farm or small business to their children to operate and keep that small business open. To do that, we ought to provide a specific exemption for family farms and small businesses. We provide such an exemption now in current law,

but it is not high enough. We ought to make it high enough so no family farm or small business gets caught in this web.

I propose \$10 million. In fact, I co-sponsored a piece of legislation authored by the Senator from Oklahoma a couple of years ago that had a \$10 million ceiling in it with respect to the estate tax applied to a family farm or small business. We can increase the exemption so as to make sure no one has to worry about the interruption of the operation of a farm or small business. That is not rocket science. We can do that.

That is not the issue here. We want to offer an amendment to do that. If we ever get the estate tax repeal bill on the floor, we will offer an amendment that would say, "Let's not repeal it; let's instead provide a substantial increase in the exemption so family farms and small businesses are not hit with an estate tax." So that question is off the table.

The question now is, will some sort of estate tax remain? In the newspaper this morning there is a story about a fellow worth about \$900 million, a big investor-type from New York. I will not use his name. He is using his personal money to spend \$20 million on television advertising between now and the November election on the issue of education, particularly the issue of vouchers with respect to education.

It is his right to do that. Here is a person who amassed a fortune of \$900 million, according to the newspaper, a terrific amount of money. He is just short of a billionaire. If that person at some point should die—and of course, everyone does—and that person's son or daughter gets an inheritance of \$500 million because of the estate tax, who will stand on the floor and say shame on Congress for taking away part of that estate through an estate tax.

The question is, Are there some in this country at the upper scale of income and wealth whom we should expect to be able to pay an estate tax? They have lived in this wonderful country, enjoyed the bounty of being an American, been able to become a millionaire, a billionaire. The wealthiest 400 people, according to Forbes magazine, would get a \$250 billion tax windfall in estate tax reductions under the proposal for complete repeal. There were 309 billionaires in the United States in 1999. More than one half of the billionaires in the world live in the United States. That is not a bad thing. That is a good thing. That is wonderful. What a great economy. What a great place to live and work and invest.

However, we have in this country a tax on estates. The majority has proposed eliminating the tax altogether, repealing it completely. According to the Treasury Department, when fully phased in, in the second 10 years, this would reduce federal revenues by \$750 billion. We on the other hand have proposed to make changes in the estate tax to provide a sufficient exemption

so that no family farm or small business is caught in the web of estate taxes. But we also believe that we ought to retain the revenue from some of the largest estates currently taxed in order to evaluate other possible uses for that revenue.

Incidentally, the motion to proceed to this is a debate about proceeding to this or something else. Is total repeal of the estate tax the only thing that represents a priority in Congress? How else might we use this money, \$250 billion, that under the present proposal would go to the wealthiest 400 people in our country? How else might we use that \$250 billion? What about giving it to working families in the form of a tax break, an increased tax credit for college tuition to help parents send their kids to school?

That seems reasonable to me. Or what about the possibility of using part of it to help pay down the Federal debt? During tough times, if we have run the Federal debt up to \$5.7 trillion, how about during good times paying it down again? Perhaps we could use part of this revenue to pay down the debt. Or what about the proposition to use part of this revenue to provide a prescription drug benefit for those who are on Medicare? Those Americans who reach their senior years and have the lowest incomes of their lives are now discovering that the miracle drugs they need to extend and improve their lives are not available to them all too often because they cannot afford them. The drugs are priced out of reach.

Senior citizens have told me in hearings that when they go to the grocery store they go to the back of the store first because that is where they sell the prescription drugs. That is where the pharmacy is. They must go to the back of the grocery store to buy their prescription drugs to deal with their diabetes and their heart trouble and arthritis because only then will they know, after they have paid for the prescription drugs they need, only then will they know how much money they have to buy food. Only then will they know how much money they have left to eat.

What about using some of that estate tax revenue to provide a prescription drug benefit for the Medicare program rather than \$250 billion for the richest 400 Americans?

The majority party has said: We intend to demand the repeal of the estate tax by bringing a bill to the floor, and we don't want to mess around with your amendments. In fact, the narrow crevice here in the Senate on relevancy would say it is not relevant for my colleague, the Senator from Illinois, to offer an amendment and say we are debating the repeal of \$250 billion of tax obligation to the wealthiest 400 Americans, so I have another idea on what we ought to do with that \$250 billion. I propose we use it to provide a prescription drug benefit in the Medicare program. It would only require part of that revenue. But that is his idea.

Under the narrow rules of the Senate, the majority says that is not relevant. We are not within the relevancy rules of the Senate, so we have no right to offer that idea. We have no right to offer that amendment.

We will and should have a longer and expanded debate about this issue. If we have the opportunity to offer amendments and have up-or-down votes on issues, we will have an opportunity to take away, forever, the proposition that small businesses or family farms are going to be caught with an estate tax. We will offer an amendment that provides a threshold beyond which no family farms or small businesses will be ever threatened by an estate tax.

That is not going to be the issue. The issue is much narrower than that. It is, Should we give up the revenue derived from an estate tax applied to the wealthiest estates in America? Should we give up revenue that could be used for other things, including reducing the Federal debt, providing middle-income tax relief, providing prescription drug benefits, or other urgent needs, or should we only decide our priority for the \$250 billion is to relieve the tax burden on the estate of the wealthiest Americans? That is the question.

The question we are dealing with this morning is a motion to proceed to this issue. Proceed to what? Proceed to the estate tax repeal. Shall we proceed to debate the estate tax repeal? I have another idea. How about proceeding to debate the issue of prescription drugs in the Medicare program?

That is a bigger priority for me at the moment. Let's get that done. We have a very limited time between now and the middle of October when this Congress will complete its work. Let's proceed to do a Patients' Bill of Rights that gives real protection to patients in the health care system. Let's enact one that would say to a patient: You have a right to understand every option for your medical treatment—not just the cheapest—every option for your medical treatment; you have a right to that.

Some say we have debated that. Yes, we debated it and passed a patients' bill of goods, not a Patients' Bill of Rights. It is a hollow vessel. Let's get that back to the floor. Let's have a vigorous and aggressive debate. Let's have a discussion about the issues we have raised.

Let's have a discussion about the woman who was hiking in the Shendoah mountains and fell off a 40-foot cliff and was taken to an emergency room with a concussion in a coma and multiple broken bones. After substantial medical treatment, she survived, only to be told by her HMO: We are not going to cover your emergency room treatment because you did not get prior approval to go to the emergency room.

This is a woman who was hauled in on a gurney in a coma and did not have prior approval for emergency room treatment. Let's talk about that.

Let's talk about a young boy named Ethan whose physical therapy was cut off. He was born with cerebral palsy, and it was judged by a managed care physician, or a managed care accountant, perhaps, that he had only a 50-percent chance of walking by age 5 and that was "insignificant". Therefore, the HMO said, we won't cover the rehabilitation therapy. Think about that. A 50-percent chance of walking by age 5 for young Ethan was deemed "insignificant" and so the HMO wouldn't cover his rehabilitation therapy. Let's talk about that.

Pass a motion to proceed to a Patients' Bill of Rights, and we will talk about these cases and these issues.

Let's talk about the young boy who died at the age 16. Senator REID and I had a hearing in Nevada. The young boy's mother told the tragic story. As she took her seat, she was crying and was holding aloft a large color picture of her 16-year-old son who had died, having been denied the treatment he needed to fight his cancer by the managed care organization. She said with tears in her eyes, holding a picture of her son aloft: My son looked at me and said: Mom, how can they do this to a kid?

Let's have a motion to proceed to talk about those issues. That is a priority with me.

This question of a motion to proceed is a question about what is important, what are our priorities. I say bring a Patients' Bill of Rights and have an aggressive, full debate. That issue has been in conference, and the conference has not moved a bit. The last time I mentioned that one of my colleagues protested: Oh, we have made a lot of progress. Month after month there has been no progress at all. When I heard that, I told him at least glaciers move an inch or two a year. There is no evidence that conference is alive. On a Patients' Bill of Rights, nothing is happening.

But, boy, take the estate tax repeal, just give some people around here a whiff of providing some big tax cuts to the wealthiest Americans and, all of a sudden, it is as if they had an industrial strength Vitamin B-12 shot. There is nothing but scurrying around this Chamber. Boy, are they excited.

We are excited about some other things. In fact, there are plenty of ideas for middle-income-tax relief. If we want to talk about tax cuts, we should be cautious because economists really do not have the foggiest idea what is going to happen 2, 4, 6, 10 years from now. They just do not know. We have been through a period in which we think this economy will never go into reverse; we think the business cycle has been repealed. It has not. We are going to go through periods of contraction, and we are going to continue to have economic conditions that we cannot predict. So we ought to be cautious about predictions of large, unrelenting surpluses.

Nonetheless, if we have surpluses in the future that are as generous as now

predicted, it is perfectly reasonable for us to be talking about some targeted tax cuts that will make a real difference in the lives of people. There are plenty of such areas; repealing the estate tax for the wealthiest Americans does not rank high among them.

Yes, getting rid of the estate tax for family farms and small business does rank high. We are prepared to offer that amendment. If our amendment is adopted, we are not going to have the interruption of a family farm or small business when it passes from parents to children.

As I indicated earlier, there are 309 billionaires in this country. More than one-half of the billionaires—that is with a B—more than one-half of the billionaires in the world live in the United States. Good for us and good for them. I am as delighted as I can be with all that success. Many of them believe as I do that their estate ought to bear some estate tax when they die, and that estate tax, which we now receive, can be used for some other productive investments.

Some have an idea—incidentally, I have worked on it some as well. My colleague from Nebraska has worked on a proposal called KidSave, which would invest in supplementary savings accounts for children. In fact, we could develop a proposal which I have worked on that would in which the largest estates bearing an estate tax would help provide a modest pool of savings for every baby born in this country who then could access those savings upon, for example, the completion of high school.

What a wonderful incentive it would be to say to people that if they pay attention and do their homework and graduate from high school, a reward will be waiting for them. There are all kinds of ideas. But the only idea that moves around this Chamber is an idea on that side of the aisle that says we must repeal the entire estate tax and we must do it through a vote on this issue in this Chamber and we must do it by denying the minority the opportunity to offer any significant amendments.

Mrs. BOXER. Will my friend yield for a question?

Mr. DORGAN. I will be happy to yield.

Mrs. BOXER. I thank my friend for his eloquence on this point. Doesn't it really come down to on whose side are you? For whom do you come here to work? That is what my friend is saying. He is saying that if we did a fair alternative to the Republicans on this estate tax repeal, we can take care of those small family businesses, the farms, the people who have homes and have a lot of investment in them. We can essentially say only the very wealthiest, the ones who, frankly, owe a lot to the greatness of this Nation, the opportunity this Nation provides, their heirs would pay something and they would still wind up with millions and millions of dollars. My colleague is

saying, maybe even with a little bit of courage around here, we could target those funds to those who deserve to have the same shot.

I just held in my State of California a very important seminar, which was a learning experience for me, on the cost of child care and the availability of important early education. What I learned is that in California, only one in five kids who need quality child care even has a slot. For four out of five of the kids, there is not even a slot. And if one is lucky enough to have a chance at that slot, does my colleague know what it costs? Almost as much as it does to go to a private college.

I applaud my friend and ask him this question: Isn't this motion to proceed really about whose side are we on around here? Are we on the side of the vast majority of the people who get up every day and work hard and want a little attention to their problems—prescription drugs, Patients' Bill of Rights, the things my friend has discussed, quality education, quality child care—or those who earn in the billions, and I say billions because that is really who is going to be impacted by this repeal. I ask my friend that question.

Mr. DORGAN. I think the Senator from California is right. I was thinking also about the alternatives. We have had a lot of discussion and will have, I assume, a great deal more discussion on the ability to pass a family farm on to the children, and I certainly support that.

I want to have an exemption that will prevent the estate tax from snaring in its web the passage of the family farm from parents to children.

I will say to my friends who raise these issues, if you want to help family farmers, we have an amendment that will enable you to do that. But then you go further and say: We want to provide the richest 400 people in America a \$250 billion tax break during the second 10 years. That is triple the amount of money each year that we now spend on the farm program.

We have this Freedom to Farm bill which is just devastating family farmers. Grain prices have collapsed. They have been collapsed for a long time. Perhaps we could take just a third of the amount of money they want to give in tax relief to the wealthiest estates in America—just a third of it—and say: Let's have a farm program that really keeps family farmers on the farm. It is not a priority for some. See, that is the problem.

It would be nice, for example—just in terms of what people think priorities are—if we could all go to an auction sale at some point. Arlo Schmidt, an auctioneer in North Dakota—he is a wonderful auctioneer—told me about a young boy about 8 years old who came up and grabbed him by the leg at the end of an auction sale.

This boy was the son of a farmer whose machinery and land were being sold. This little boy grabbed the auctioneer around his thigh and, with

tears in his eyes, looked up at him, pointed at him, and said: You sold my dad's tractor. This little boy was very angry. He said: You sold my dad's tractor. Arlo said: I patted him on the shoulder and tried to calm him down a little bit. This was after the action was over. His dad's equipment was gone, and so on.

The little boy had none of this calming. The little boy, with tears in his eyes, said: I wanted to drive that tractor when I got big.

The point is, we have a lot of things happening in this country that relate to family values and our economy and to what kind of country we are. One of them I care a lot about, because I come from a farm State, is the health of our family farmers and their ability to make a decent living.

For those who would come to the Senate and say, let's get rid of the entire estate tax, I would say, regarding the wealthiest estates in our country, for you to flex your muscles and exert your energy to lift the burden of the estate tax from estates worth \$1 billion, I do not understand it.

I do not understand it when we have so many other needs, such as the need for income tax relief for middle-income families—not the wealthy estates—the need to enact a family farm program so the farmers have a decent chance to make a living, the need to adopt a Patients' Bill of Rights, the need to include a prescription drug benefit in the Medicare program—and do it soon. There are so many needs, and what you have done is elevate the need for lifting the burden of the estate tax on the largest estates in our country, saying: That is job No. 1. That is our priority.

Mr. DURBIN. Will the Senator yield for a question?

Mr. DORGAN. I am happy to yield.

Mr. DURBIN. The Senator made reference to an alternative to the Republican proposal to eliminate the estate tax. I am reading from this alternative. I would like to have the comment of the Senator from North Dakota. The Democratic alternative to change the estate tax would increase the exemption from \$1.3 million per couple to \$2 million per couple by 2002, and to \$4 million per couple by 2010; meaning, if your estate is at \$4 million, in the year 2010 you would not pay a single penny in estate taxes. This would eliminate the tax on two-thirds of the estates currently subject to tax every year.

The Democratic alternative would also increase the family-owned business exemption from \$2.6 million per couple to twice that, of a general exemption, to \$4 million per couple by 2002 and \$8 million per couple by 2010. This would remove almost all family-owned farms and 75 percent of family-owned businesses from the estate tax rolls.

So the Democratic alternative eliminates two-thirds of the families paying estate taxes in America, 75 percent of the family-owned businesses, and virtually all of the family farms under the

Democratic alternative, for a fraction of the cost of the Republican approach.

I think the Senator from North Dakota has made it clear that the people who are left at that point paying the estate tax, under the Democratic approach, would include, if I have not mistaken his comment, the Forbes top 400 wealthiest people in America. They would still be paying the estate tax.

I would like to ask the Senator from North Dakota if I am not mistaken. Did he not say that the Republican approach, as opposed to the Democratic approach, would mean for the top 400 wealthiest people in America, the Republican tax break would be \$250 billion? Was that the comment made by the Senator from North Dakota? It would be a \$250 billion tax break for 400 people in America? That is the Republican priority that they want to bring to the floor, and not consider everything else the Senator from North Dakota has raised?

Mr. DORGAN. Mr. President, the Senator from Illinois is correct.

Let me give you another piece of information. The largest 374 estates would get an average tax cut of \$12.8 million. The largest 1,062 of the estates in this country—about five-hundredths of 1 percent of the estates—would get an estimated average tax cut of \$7 million each.

The point isn't to say that having made money in this country is wrong or you should be penalized for it. That is not my point. My point is not that. This is a wonderful place in which some people do very well. Many of them who do very well do so because they work day and night. They have a certain genius—and good for them. There are others, however, as all of us know, who are fortunate to inherit a substantial amount of money—and good for them as well.

But our proposition is simple enough; that on those largest estates in this country—I am talking about the very largest estates—should there not be the retention of some basic estate tax to create some revenue that can be used then to invest in the future of this country, invest in its children, invest in its family farmers, invest in our senior citizens? Because we now receive that revenue. If we decide to repeal that revenue, the question is, measured against what? Is this the most important, or are there other areas that are more important? That is what we ought to be discussing.

That is why the motion to proceed, I think, is the place to discuss this. We have on a postclosure motion a number of hours within which we can discuss this issue. I hope my colleagues will also take some time.

I know it is popular to say: You know something, this is a death tax. The reason they say that is they have pollsters who poll the words, and they have discovered that if they use the words "death tax," it is a kind of pejorative that allows people to believe: Well, OK, let's repeal the death tax.

It is much more than that. It is a tax on a decedent's estate that applies at certain levels and at certain times. I would agree with the majority party, if they say the exemption isn't high enough. It should be much, much higher. We want to make it much higher. But I would not agree, and do not agree, if they say: Let us repeal the estate tax burden on the largest estates in this country.

Again, let me say that there are many who have amassed very substantial estates who believe we should not repeal the estate tax burden. Incidentally, a substantial amount of charitable giving in this country is stimulated by the presence of an estate tax. I would not use that to justify its presence, but I would say that one additional result of a total repeal for the largest estates will, I think, have a very significant impact on foundations and charities in this country.

But we are going to have a very substantial discussion as we move along. This is a very important issue dealing with a lot of revenue. I must say, it is interesting that the issue is brought to the floor of the Senate without even going to the Finance Committee. I would expect the chairman and ranking member of the Finance Committee would express great concern about that. This is an issue that has just bypassed the Finance Committee, just being brought right to the floor of the Senate, with no hearings, no discussions, no markup in the Finance Committee.

It is also a circumstance where the majority leader has indicated he wants to bring this up, but he does not want people to offer amendments really. And if they are to offer amendments, he wants them to be relevant with respect to the decision of relevancy in the Senate, not with respect to what is relevant or nonrelevant about the subjects that are on the floor of the Senate.

For example, if the proposal is to substantially cut revenue by exempting the largest estates in this country from any estate tax burden, if that is the proposal, it would not be relevant in the Senate to say: I have another idea. Why don't we retain the tax burden on the largest estates, exempt the tax burden on the other estates, and then, instead of costing the extra \$50 or \$60 billion for the first 10 years and substantially move over the next 10 years, let's use that difference to provide a middle-income tax break, or let's use that difference to provide a larger tax credit for college tuition to send your children to college. Let's use that difference to provide a benefit of prescription drugs in the Medicare program. Let's use that difference to pay down the Federal debt that now exists at around \$5.7 trillion—all of those ideas would be out of order and considered, under the arcane Senate rules, as nonrelevant.

Mr. THOMAS. Will the Senator yield for a unanimous consent request?

Mr. DORGAN. Of course, I yield, without losing my right to the floor.

#### ORDER FOR RECESS

Mr. THOMAS. Mr. President, I ask unanimous consent that the Senate recess today from the hours of 12:30 to 2:15 in order for the weekly party conferences to meet. I further ask unanimous consent that the time count against the postcloture debate time.

The PRESIDING OFFICER. Is there objection?

Mrs. BOXER. Reserving the right to object, I know Senator WELLSTONE has been here a long time, and I have been here a long time. Is there any way we can work out an order of recognition when we come back after the conference lunches? I ask Senator ROTH if that would be possible.

Mr. WELLSTONE. Mr. President, I thank the Senator from California. I think it would be a good idea if we could work out an order, and I am pleased to do so.

Mr. ROTH. Mr. President, I request that the Democratic side give us a list of the order, and we will try to develop one as well. Then when the manager comes back for the Democratic side, we will see if we can't work that out.

Mrs. BOXER. I ask my friend, Senator DORGAN, after the party lunches, if he intends to continue to speak.

Mr. DORGAN. No, Mr. President.

Mrs. BOXER. As we have it now, it is Senator WELLSTONE first and myself second. I would defer to our ranking member and the chairman to work this out. If you could take that into consideration, I will not object to the request.

Mr. WELLSTONE. Reserving the right to object, I wonder whether I could ask unanimous consent that I be allowed to speak since I have been here all morning, when we come back from the break.

The PRESIDING OFFICER. The Senator would have to repropound his request.

Mr. ROTH. Mr. President, Senator MOYNIHAN and myself will work this out. We will try to work it out so we can alternate back and forth.

Mr. WELLSTONE. I will not object.

The PRESIDING OFFICER. On the unanimous consent as originally propounded, is there objection? Without objection, it is so ordered.

The Senator from North Dakota has the floor.

Mr. ROTH. I have a parliamentary question.

The PRESIDING OFFICER. The Senator from North Dakota yielded for a unanimous consent to be propounded. The floor returns to the Senator from North Dakota.

Mr. DORGAN. Mr. President, the facts are not very evident with respect to this debate in most cases.

I thought it would be useful to quote from an interesting publication, the "Farm and Ranch Guide"—it is a well-

known publication to most farmers and ranchers—an article by Alan Guebert, "A Tax Break for the Rich Courtesy of Family Farmers" is its title.

He points out that in 1997, according to Internal Revenue Service data, 1.9 percent of the more than 2 million Americans who died paid any estate tax at all; only 1.9 percent paid any estate tax at all.

As skinny as that slice was, an even skinnier 2,400 estates paid almost 50 percent of all estate taxes . . .

His point was, there are not many estates that are subject to an estate tax. I believe we ought to enact a generous exemption for family farms and small businesses so that no family farms or small businesses will be caught in the web of an estate tax.

It is not as if this is a riveting debate, of course. The estate tax is a complicated issue. It can be highly emotional. As we see in the Senate today, it is not going to keep people glued to their seats.

I suggest, however, the purpose of taxation is to pay for things we do in this country together. We build roads together because it doesn't make sense for each of us to build a road separately. We build schools because it makes sense that we do that together. We provide for a common defense. It requires taxes to pay for all this. It is what we do as Americans.

I probably shouldn't name particular cities, but go mail a letter in some cities around the world and see how quickly that letter moves. Go drive on some roads in rural Honduras and see how well your tires hold up. Go take a look at some of the services in other parts of the world and then evaluate what your tax dollar buys in this country. That is part of our investment in America. Some say that the payment of taxes is something we don't like very much—I think all of us share that feeling—so let's relieve that burden. They come to the floor with a plan. The plan is in writing and says, what we want to do is relieve the burden of the estate tax.

We say: That's all right. Let us relieve the burden so that nobody of ordinary means is going to have to pay an estate tax.

They say: No, that is not what we mean. Our idea is more than that. Our idea is, we want to remove the estate tax from everybody, including the largest estates in the country. So they say: our idea is to reduce the amount of revenue the Government has and to do it by relieving the burden of the estates tax on the largest estates.

We say: Well, that is an idea, but here is another idea. If we are talking about \$250 billion in 10 years of tax relief, why go just to 400 of the wealthiest Americans? Why not provide some of that to the rest of the American folks?

How about to working families? How about some relief from the high payroll taxes people pay? How about some more relief from the cost of sending kids to college?

We have some ideas. But we are told: Your ideas don't matter. We are going to deal only with our own ideas, and those are ones that would benefit the upper-income folks. But we want to put clothes on it to disguise it a little because we know it doesn't sell very well to talk about providing tax relief to billionaires. We are going to disguise it to make it look different and call it tax relief for family farmers and small businesses.

But we support such relief. Let's do that right now. In fact, perhaps the Senator from Nevada could put forth a unanimous consent request. We can legislate like they do—don't go to the committees, don't have markups; just bring it to the floor and put forth a unanimous consent request. They have done that on the estate tax. Yesterday, they did it on the H-1B proposal. Perhaps we can say we support eliminating the estate tax for small businesses and family farmers and do it their way. That is not a good way to legislate, but let's try that. Then we can get that off the table so all that remains is the question, Are we going to provide a very substantial amount of tax relief to those 400 or so estates that represent the largest accumulation of wealth in the country? If that is the priority, what is it measured against—against the other priorities? Is it the most appropriate? Is it the most logical thing to do? Or are there other uses of that revenue that would make more sense for this country?

In summary, that is something that I think will be subject to a substantial amount of debate in the coming weeks. I wish to close where I began and say that there is a profound difference that exists between many of us and the majority party on the subject of whether the largest estates in this country should be relieved of the burden of paying an estate tax. I think there is a better use for those funds than tax relief for billionaires. On the other hand, there is no difference between us on whether we ought to make a quantum leap and provide a very significant exemption for the transfer of family farms or small businesses. And for a dramatic and substantial increase in the unified exemption from the current roughly \$675,000 level, I would support taking that to the \$4 million level for a husband and wife. I think we can do that. There certainly should be agreement on that. We can take that step, and what is left is an idea to relieve the rest of the burden by some of the majority, and other ideas that we would have for the use of those funds, including middle-income tax relief. Let's have that debate. It seems to me that that would be the simple way of proceeding.

I wanted to make some of those points. I appreciate my colleagues who are also going to make some points in the postcloture discussion. Then we should have this debate, with amendments. I think time agreements could be developed, and I think at the end of

the debate we would see where the votes are in the Senate on this issue.

I yield the floor.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. REID. Will the Senator yield for a unanimous consent request, without losing his right to the floor?

Mr. CRAIG. Yes.

Mr. REID. Mr. President, I have discussed this with the chairman of the Finance Committee. After the recess, which will be in a few minutes, we would like these Senators to speak. On our side of the aisle, the order of speakers would be Senators WELLSTONE, BOXER, FEINGOLD, KENNEDY, DURBIN, and HARKIN on postcloture regarding this estate tax matter. On the Republican side, the speakers who have been requested are Senators BURNS, KYL, and GRAMS so far. We will alternate back and forth. The majority will fill in a couple more speakers so there would be a requisite number on each side. People on my side have indicated they would take a half hour or so, but we won't lock in the time at this time, only the order of speakers.

I ask unanimous consent that we be able to do that at this time.

The PRESIDING OFFICER. Is the Senator from Idaho allowed to complete his time?

Mr. REID. Of course.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Idaho is recognized.

Mr. CRAIG. Mr. President, under a unanimous consent agreement, we are slated to recess at 12:30, is that correct?

The PRESIDING OFFICER. Yes.

Mr. CRAIG. Mr. President, I come to the floor to speak for a few moments. Senator DORGAN was on the floor talking about the character of his State and the character of this issue of estate tax or death tax, whatever we wish to call it. I call it that which destroys the American dream.

I have always been amazed that anyone who serves in public life can justify the revenue they spend for the sake of Government as somehow destroying someone else's life or property. Yet over the years, clearly, the estate tax provision of our national Tax Code has done just that.

The Presiding Officer is from the State of Wyoming. I am from Idaho. Much of our States are made up of farmers, ranchers, and small business people. Really, the character of the business and industry of our States is made up of small businesses.

Some of us strive all of our lives in a small business to create a little estate that we then want to hand to our children, if they choose to carry on that which we have developed. Yet in nearly every instance today, under current law, to be able to carry on that small Main Street business or that farm or that ranch, you have to re-buy it. You have to sell it to get the revenue to pay

off the Federal Government, and then you spend the rest of your life, as the person who is the inheritor, paying for the business.

That is not the American dream. That is not what built the basis of wealth in our country which has generated this tremendous economy, which employs the men and women who make up the workforce of our economy. That is why I and others have consistently argued that, clearly, we needed to either eliminate the estate tax or do it in a way that recognizes those small- and medium-size proprietorships and businesses that are not held in stock or in corporations. That is exactly what we are attempting to do.

I am always amazed that the other side will come to the floor and say: Well, this is a great idea, but then again we ought to consider this or that, and maybe we ought not to do that, and that somehow it is wrong to generate wealth in our society and to want to be able to pass it on to our children and grandchildren.

Shame on those who want to deny the American dream. Shame on those who want to deny the energy and the spirit that has created this country and made it the greatest country ever known on the face of the Earth—a country great for its ability to allow individual citizens to grow and generate wealth in business. That is what this debate is fundamentally about. So anybody who wants to come to the floor and deny us as a Congress, as a people, the right to deal with this issue in a fair and equitable way simply denies the average citizen of this country the American dream.

Let us not get lost in the words. Let us not get lost in the phraseology about a little bit here and a little bit there, and we have to have all this money to spend in Government. This is the time of the greatest prosperity in the history of this country. There are articles out there saying that the surplus is going to double and triple into the trillions of dollars; yet we still have in the law a situation that says: If you die, you lose. If you die, the Government gets your work. If you die, all of the lifetime you have spent building a little business, a farm, or a ranch is somehow no longer yours.

I am sorry, but I am not going to get fouled up in the rhetoric, and I am going to continue to come to the floor to try to cut through the silly philosophy that somehow the Government has a right to all your money. What we have here is a responsible and legitimate piece of legislation to change the tax law of this country to gradually move us out of the situation that says if you die, you sell your business and the Government gets the money. What is wrong with medium- and small-size businesses that are not large corporations or stock-held businesses? What is wrong with allowing your children to have them, if they want them to continue that business and continue that legacy?

That is the issue that is before us. That is what is embodied in H.R. 8.

I suggest that anybody who would want to say something different—whether it is on the minor side, or whether they want to use the politics of the day to deny this to the average American—shame on you. I don't see any good politics in that kind of bad politics.

Mr. REID. Mr. President, I failed to be courteous to my friend from Idaho for allowing me to interrupt. I express my appreciation for his willingness to do that.

Mr. CRAIG. I thank the Senator from Nevada.

#### RECESS

The PRESIDING OFFICER. Under the previous order, the hour of 12:30 having arrived, the Senate will stand in recess until the hour of 2:16 p.m.

Thereupon, the Senate, at 12:31 p.m., recessed until 2:16 p.m., whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. INHOFE).

The PRESIDING OFFICER. The Senator from Minnesota.

#### DEATH TAX ELIMINATION ACT— MOTION TO PROCEED

Mr. WELLSTONE. Mr. President, let me, first of all, mention to colleagues when we look at this estate tax bill, the Center on Budget and Policy Priorities—and I think their work has been impeccable—points out that fewer than 1.9 percent of the 2.3 million people who died in 1997 had any tax levied on their estates. We are talking about 1.9 percent.

This repeal that my colleagues on the other side of the aisle are proposing helps the wealthiest 2 percent of Americans. I ask unanimous consent the full study from the Center on Budget and Policy Priorities be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Center on Budget and Policy Priorities, June 21, 2000]

#### ESTATE TAX REPEAL: A WINDFALL FOR THE WEALTHIEST AMERICANS

(By Iris J. Lav and James Sly)

#### SUMMARY

On June 9 the House passed legislation that would repeal the federal estate, gift, and generation-skipping transfer tax by 2010. The Senate is expected to consider estate tax repeal in July.

Repealing the estate tax would provide a massive windfall for some of the country's wealthiest families.

In 1997, the estates of fewer than 43,000 people—fewer than 1.9 percent of the 2.3 million people who died that year—had to pay any estate tax. The Joint Committee on Taxation projects that the percentage of people who die whose estates will be subject to estate tax will remain at about two percent for the foreseeable future. In other words, 98 of every 1,000 people who die face no estate tax whatsoever.

To be subject to tax, the size of an estate must exceed \$675,000 in 2000. The estate tax exemption is rising to \$1 million by 2006. Note that an estate of any size may be bequeathed to a spouse free of estate tax.

Each member of a married couple is entitled to the basic \$675,000 exemption. Thus, a couple can effectively exempt \$1.35 million from the estate tax in 2000, rising to \$2 million by 2006.

The vast bulk of estate taxes are paid on very large estates. In 1997, some 2,400 estate—the largest five percent of estates that were of sufficient size to be taxable—paid nearly half of all estate taxes. These were estates with assets exceeding \$5 million. This means about half of the estate tax was paid by the estates of the wealthiest one of every 1,000 people who died.

If the estate tax had been repealed, each of these 2,400 estates with assets exceeding \$5 million would have received a tax-cut windfall in 1997 that averaged more than \$3.4 million.

As these statistics make clear, the estates of a tiny fraction of the people who die each year—those with very large amounts of wealth—pay the bulk of all estate taxes.

Moreover, a recent Treasury Department study shows that almost no estate tax is paid by middle-income people. Most of the estate taxes are paid on the estates of people who, in addition to having very substantial wealth, still had high incomes around the time they died. The study found that 91 percent of all estate taxes are paid by the estate of people whose annual incomes exceeded \$190,000 around the time of their death. Less than one percent of estate taxes are paid by the lowest-income 80 percent of the population, those with incomes below \$100,000.

#### SMALL BUSINESSES AND FAMILY FARMS

Very few people leave a taxable estate that includes a family business or farm. Only six of every 10,000 people who die leave a taxable estate in which a family business or farm forms the majority of the estate.

Nevertheless, it often is claimed that repeal of the estate tax is necessary to save family businesses and farms—that is, to assure they do not have to be liquidated to pay estate taxes. In reality, only a small fraction of the estate tax is paid on small family businesses and farms. Current estate tax law already includes sizable special tax breaks for family businesses and farms.

To the extent that problems may remain in the taxation of small family-owned businesses and farms under the estate tax, those problems could be specifically identified and addressed at a modest cost to Treasury. Wholesale repeal of the estate tax is not needed for this purpose.

Farms and family-owned business assets account for less than four percent of all assets in taxable estates valued at less than \$5 million. Only a small fraction of the estate tax is paid on the value of farms and small family businesses.

Family-owned businesses and farms are eligible for special treatment under current law, including a higher exemption. The total exemption for most estates that include a family-owned business is \$1.3 million in 2000, rather than \$675,000. A couple can exempt up to \$2.6 million of an estate that includes a family-owned business or farm.

Still another feature of current law allows deferral of estate tax payments for up to 14 years when the value of a family-owned business or farm accounts for at least 35 percent of an estate, with interest charged at rates substantially below market rates.

Claims that family-owned businesses have to be liquidated to pay estate taxes imply that most of the value of the estate is tied up in the businesses. But businesses or farms

constitute the majority of the assets in very few estates that include family-owned businesses or farms. A Treasury Department analysis of data for 1998 shows that in only 776 of the 47,482 estates that were taxable that year—or just 1.6 percent of taxable estates—did family-owned businesses assets (such as closely held stock, non-corporate businesses, or partnerships) equal at least half of the gross estate. In only 642 estates—1.4 percent of the taxable estates—did farm assets, or farm assets and farm real estate, equal at least half of the gross estate.

Furthermore, the law can easily be changed to exempt from the estate tax a substantially larger amount of assets related to family-owned farms or businesses, and this can be done without repealing or making other sweeping changes in the estate tax. When the House considered the estate tax on June 9, Ways and Means Committee ranking member Charles Rangel offered an alternative that would have exempted the first \$2 million of a family-owned business for an individual and \$4 million for a couple, without requiring any estate planning.

#### EFFECTIVE ESTATE TAX RATES MUCH LOWER THAN MARGINAL RATES

The estate tax is levied at graduated rates depending on the size of the estate; the highest tax rate is 55 percent. This sometimes leads people to conclude that when someone dies, half of their estate will go to the government.

It normally is not the case, however, that half of an estate is taxed away. Effective tax rates for estates of all sizes are much lower than the marginal tax rate of 55 percent. On average for all taxable estates in 1997, estate taxes represented 17 percent of the gross value of the estate. A combination of permitted exemptions, deductions, and credits, together with estate planning strategies, reduced the effective tax rate to less than one-third of the 55 percent top marginal tax rate.

#### REPEAL OF THE ESTATE TAX CARRIES A HIGH COST

Repealing the estate tax would be very costly. According to the Joint Committee on Taxation, the House bill would cost \$105 billion over the first 10 years, as it phases in slowly. Once the proposal was fully in effect—and the estate tax had been repealed—the proposal would cost about \$50 billion a year. The cost of the proposal in the second 10 years—from 2011 to 2020—would be nearly six times the cost for 2001–2010.

Under the House bill, the estate tax would be reduced gradually over the next decade, leading to full repeal in calendar year 2010. Under current law, CBO projects the estate tax will bring in \$48 billion a year by 2010.

In the 10 years between 2011 and 2020, the estate tax likely would bring in at least \$620 billion under current law. The House bill includes a provision, relating to the valuation of capital assets when a person dies, that would offset a small portion of the revenue loss from repeal of the estate tax. The offsetting revenue gain is likely to be in the range of \$5 billion to \$10 billion a year.

The net effect of the House bill when fully phased in thus would be a revenue loss likely exceeding half a trillion dollars over 10 years.

The very high cost of repeal would be felt fully in the second decade of this century. That is the period when the baby boomers begin to retire in large numbers, substantially increasing the costs of programs such as Social Security, Medicare, and Medicaid. Repealing the estate tax would subsequently reduce the funds available to help meet these costs and to facilitate reforms of Social Security and Medicare that would extend the solvency of those programs, as well as to meet other priority needs such as improving



educational opportunities, expanding health insurance coverage, and reducing child poverty. It also would leave fewer funds for tax cut targeted on average working families.

#### MOST ESTATE TAXES ARE PAID BY LARGE ESTATES

Most estate taxes are paid by large estates rather than by small family-owned farms and businesses. As noted above, the first \$675,000 of an estate is exempt from taxation in 2000, with the exemption scheduled to rise to \$1 million by 2006. In addition, an unlimited amount of property can be bequeathed to a spouse free of estate tax.

Moreover, each member of a married couple is entitled to the basic \$675,000 exemption. A number of simple estate planning devices are available under the law, the net effect of which is to double the amount a couple can exempt from estate taxation. Thus, a couple can effectively exempt \$1.35 million from estate tax in 2000, rising to \$2 million by 2006.

As a result of these exemptions and other provisions, such as unlimited deductions for charitable giving, only about two percent of all deaths result in estate tax liability. Of the 2.3 million people who died in 1997, for example, fewer than 43,000 had to pay any estate tax.

Of those estates that are taxable, the largest pay most of the estate tax. An analysis by IRS of the 42,901 taxable estates filing in 1997 showed that the 5.4 percent of taxable estates with gross value exceeding \$5 million paid 49 percent of total estate taxes. In other words, about half the estate tax was paid by the estates of just 2,400 people—about one out of every 1,000 people who died. The 15 percent of taxable estates with gross value exceeding \$2.5 million paid nearly 70 percent of total estate taxes.

The average estate tax payment for the 2,400 taxable estates with assets exceeding \$5 million in 1997 was \$3.47 million. If the estate tax had been fully repealed for 1997 filers, the 2,400 wealthiest people who died thus would have received a tax-cut windfall averaging about \$3.5 million each. A few hundred of the very wealthiest people who left estates exceeding \$20 million would have received a tax-cut windfall of more than \$10 million each.

#### ESTATE TAX PAYERS ALSO ARE HIGH-INCOME

A new analysis by the Treasury Department looks at the annual income of decedents who pay estate taxes. The Treasury analysis finds that virtually all estate taxes—99 percent—are paid on the estates of people who were in the highest 20 percent of the income distribution at the time of their death. Some 91 percent of all estate taxes are paid on the estates of individuals who had annual incomes of more than \$190,000 around the time of their death.

#### EFFECTIVE TAX RATE ON ESTATES IS FAR LOWER THAN MARGINAL RATES

It often is claimed that estate tax rates are too high and that the government should not be taking as much as half of a person's lifetime savings when he or she dies. The assertion that the government takes half of a person's estate stems from the fact that the estate tax is levied at graduated rates, with the highest marginal rate of 55 percent applying to estates with a value exceeding \$3 million.

Data on estate taxes actually paid, however, show that estate taxes represent one-sixth the value of the average estate, not one-half. As shown in Table 1, estate taxes paid equaled 17 percent of the gross value of taxable estates for which estate tax returns were filed in 1997. The smallest and the largest estates had the lowest effective tax rates. In estates valued between \$2.5 million and

\$20 million, the effective tax rate was approximately one-quarter of the amount of the gross estate.

#### SMALL BUSINESSES AND FARMS MAKE UP ONLY A SMALL FRACTION OF TAXABLE ESTATES

IRS data show that farms and small, family-owned businesses make up only a small proportion of taxable estates. Farm property, regardless of size, accounted for about one-quarter of one percent of all assets included in taxable estates in 1997. Family-owned business assets, such as closely-held stocks, limited partnerships, and non-corporate businesses, accounted for less than four percent of the value of all taxable estates of less than \$5 million. (Farm and family-owned business assets together accounted for about 10 percent of all assets in all estates and less than four percent of the value of taxable estates of less than \$5 million.)

Of particular significance is a Treasury Department tabulation of 1998 data. It shows that in only 776 out of the 47,482 taxable estates that year did family-owned business assets (closely held stock, non-corporate businesses, or partnerships) equal at least half of the gross estate. Similarly, on only 642 out of these 47,482 taxable estates did farm assets or farm assets and farm real estate equal at least half the gross estate. Thus, for 1,418 estates out of the approximately 2.3 million people who died that year—or six out of every 10,000 people who died—did family-owned businesses or farms form the majority of the estate. The Treasury analysis found that estates that included these assets paid less than one percent of all estate taxes.

Most farms have relatively modest value. The Agriculture Department estimates that in 1998, fewer than six percent of all farms had a net worth in excess of \$1.3 million, the amount of an estate that is completely exempt if the estate includes a family-owned farm. Only 1.5 percent of farms have net worth over \$3 million.

#### SMALLER, FAMILY-OWNED BUSINESS ALREADY ELIGIBLE FOR FAVORABLE TREATMENT

Family-owned businesses and farms already are eligible for special treatment under current law.

Under current law, family-owned businesses and farms may be valued in a special way that reflects the current use to which that property is put, rather than its market value. This provision generally reduces the value that is counted for purposes of estate tax; the reduction in value can be as much as \$770,000 in 2000. This amount is indexed annually for inflation.

To use the special valuation, the decedent or other family members must have participated in the business for a number of years before the decedent's death, and family members must continue to operate the business or farm for the following 10 years. This assures that the benefit of this special valuation goes to relatively smaller businesses and farms than are family owned and operated.

The amount of an estate that is exempt from taxation is higher for family-owned businesses and farms than for other types of estates. Instead of the \$675,000 exemption (which rises to \$1 million in 2006), the 1997 tax law increased the total exemption for most estates that include family-owned businesses to \$1.3 million.

In addition, when the value of a family-owned business or farm accounts for at least 35 percent of an estate, current law allows deferral of taxation. The tax payable on such an estate may be stretched over up to 14 years, including deferral of annual interest payments for five years, followed by up to 10 annual installments of principal and interest.

#### IS IT DIFFICULT TO QUALIFY AS A "FAMILY-OWNED" BUSINESS?

Proponents of estate tax repeal often claim that increasing the exemption for family-owned businesses is not a sufficient remedy, because the law makes it too hard to qualify for treatment as a family-owned business. In fact, the definition of a family-owned business is very expansive so long as the family owns and operates the business and intends to continue doing so.

If a business is wholly owned and operated by the person who died, it easily qualifies for treatment as a family-owned business under current estate tax law. Otherwise, there are two key factors that determine whether the business or farm qualifies as a family-owned business.

The first factor is the relationship of the person who died to others who own a share in the business or help run it. For purposes of the estate tax, the term "family" is quite broad; it includes, for example, grandchildren and great-grandchildren and their spouses as well as nieces and nephews and their spouses.

The second consideration is whether the family actually owns and operates the business.

The family must own at least 50 percent of the business. However, if more than one family owns the business, the family of the person who died may own as little as 30 percent of the business.

Either the person who died or any family member (as family member is broadly defined) must have owned and materially participated in the business for at least five of the previous eight years. In general, material participation means working at the business and taking part in management decisions.

Businesses that manufacture or sell a product, provide a service, or engage in farming qualify for the special treatment. A business that is solely a holding company for managing other investments would not qualify.

The company cannot be publicly-traded. If stock in the business has been publicly-traded within three years of the person's death, the business does not qualify as family-owned.

The heirs also must continue to operate the business for a period of time. In the decade after the person's death, each qualified heir or a member of his or her family must materially participate in the business for at least five of any eight consecutive years. If three siblings inherit a business, for example, the test would be met if any one of them participated. It also would be met if one sibling's daughter were the only participant.

If payments are deferred and paid over time in installments, a below-market interest rate of just two percent applies to the tax attributable to the first \$1,030,000 in value of a closely held (family) farm or business. There also is a preferential rate on the tax attributed to the remaining value of the family farm or business.

#### ESTATE TAX RELIEF FOR FAMILY FARMS AND SMALL BUSINESSES CAN HAVE MODEST COST

There are a number of ways the estate tax burden could be substantially relieved for these family businesses and farms without repealing or making fundamental changes in the rest of the estate tax. A proposal offered in the House Rep. Charles Rangel, the ranking minority member of the Ways and Means Committee, as an alternative to repealing the estate tax included such a provision.

A provision in the Rangel proposal would have raised the exclusion for family-owned farms and small businesses from \$1.3 million to \$2 million. It also would have allowed the transfer of any unused portion of the exclusion between spouses. As a result, a married

couple with a farm or small business interest would receive a \$4 million exclusion. (Under current law, a couple can receive a \$2.6 million exclusion for a farm or small business interest if they engage in some estate tax planning. The Rangel provision would have provided the \$4 million exclusion without the need for estate tax planning.)

This type of substantial additional tax relief for family owned farms and businesses carries a cost that is only a tiny fraction of the cost of fully repealing the estate tax. This provision would cost about \$2 billion a year, compared to the approximately \$50 billion-a-year cost of the Archer proposal when fully in effect.

#### REPEALING THE ESTATE TAX CARRIES A HIGH COST

The Joint Committee on Taxation estimates that the bill the House passed to reduce and ultimately eliminate the estate tax would cost \$104.5 billion over the 10-year period from 2001 through 2010. Full repeal of the estate tax would be effective for people who die in 2010 and years after that. The full revenue effect from repealing the estate tax would not be felt until two to three years after that, because estate taxes are rarely paid in the year of death; it takes two to three years to settle an estate and file the estate-tax return. As a result, the cost of repealing the estate tax is not reflected in any year in the 10-year period covered by the revenue estimate for the bill.

#### REPEALING THE ESTATE TAX WOULD REDUCE CHARITABLE BEQUESTS

Current estate tax law includes an unlimited charitable deduction; no estate tax is due on funds bequeathed to charities. For the largest estates that are subject to the 55 percent marginal estate tax rate, each additional \$1,000 given to charity reduces estate taxes by \$550.

In 1997, more than 15,500 estates took advantage of this provision, making—and deducting—donations worth more than \$14 billion. (This includes the charitable deductions taken by all estates required to file estate tax returns in 1997, some of which were taxable and some of which had sufficient total deductions and credits to eliminate estate tax liability.)

The charitable deduction is most heavily used by the largest estates. In 1997, charitable deductions equaled 30 percent of the total gross assets of taxable estates valued over \$20 million, as compared to about three percent of the assets of smaller estates. Over half of the taxable estates of more than \$20 million took a deduction for charitable bequests in 1997; these estates gave a total of \$7.5 billion to charity, averaging more than \$41 million in donations per estate. This is one of the reasons the effective estate tax rates are lower for estates valued at \$20 million or more than for estates valued between \$1 million and \$20 million. (See Table 1.)

The research on the effect of the estate tax on charitable giving has consistently shown that levying estate taxes increases the amount of charitable bequests. The most recent study, by Treasury Department economist David Joulfaian, analyzed the tax returns of people who died in 1992. Joulfaian found that eliminating the estate tax would reduce charitable bequests by about 12 percent overall. Had there been no estate tax in 1997, charities thus would likely have received about \$1.7 billion less in bequests than they did.

The actual loss to charity is likely to be greater than is implied by looking solely at bequests, however, because some people with significant estates make charitable contributions while they still are alive with the intention of reducing both their income taxes and the amount of their assets on

which the estate tax will be levied. If a person gives to charity through the popular device known as a charitable remainder trust, for example, the assets do not show up in the estate tax statistics. Under a charitable remainder trust, the person transfers assets to the trust. The trust provides the person a stream of income for the remainder of his or her life, and whatever remains in the trust at the end of the person's life goes to charity. The person gets an immediate income tax deduction for the amount that will go to charity, computed based on his or her life expectancy (as determined actuarially). In addition, amounts transferred in this manner are considered to have been transferred prior to death and are not included in the estate when the donor dies. In 1997, a total of 82,176 charitable remainder trusts were in existence, containing assets totaling \$60.5 billion. Charitable remainder trusts are just one example of charitable donations that may take place toward the end of life that reduce both income taxes and estate taxes.

Under current law, CBO projects the estate tax will bring in \$48 billion a year by 2010. In the 10 years between 2011 and 2020, the estate tax likely would bring in at least \$620 billion under current law. Repealing the estate tax consequently would result in the loss of the entire \$620 billion over the 10-year period. The House bill also includes a provision relating to the valuation of capital assets when a person dies that would offset a small portion of the revenue loss from repeal of the estate tax: the offsetting revenue gain is likely to be in the range of \$5 billion to \$10 billion a year. Thus, the net effect of the House bill, when fully phased in, would be a revenue loss likely to exceed half a trillion dollars over the 10-year period from 2011 through 2020.

Mr. WELLSTONE. Last week, President Clinton pointed out the cost of this repeal, helping the top wealthiest 2 percent of our population. It amounts to \$100 billion over the first 10 years and then \$750 billion over the next decade.

I will speak for some period of time, and I know other Senators will speak as well, about what we could be doing and should be doing instead of repealing this inheritance tax helping the top 2 percent of the population.

Instead of this repeal helping the top 2 percent of the population, we could help renew our national vow of equal opportunity for every child. We could start by making sure families in our country are helped with affordable child care. I can't think of a more important issue, especially for younger working families. I don't know how many times in Minnesota, or anywhere I go in the country, I have people coming up to me—maybe they make \$40,000 a year or \$35,000 a year, and the child care expenses range anywhere from \$6,000 a year to \$12,000 a year. We could have a refundable tax credit. It could be for families under \$30,000. You could put it on a sliding fee scale basis. We could go up to \$30,000, \$40,000, \$50,000 a year, which would help families afford child care. Why don't we do that?

The Federal Government—that means the Senate, that means the House of Representatives—could be a real player in pre-K education. By the way, child care—whether a family provider, whether in a child care center, or

whether or not a child is at home with a parent—is all about education. Those children who are able to receive developmental child care, who were nurtured, who were intellectually stimulated, will come to kindergarten ready to learn and they will do well.

For many families, and not only low-income families, this is a salient issue. The way this is drafted right now, going to the wealthiest 2 percent of Americans, we could—and I intend to have an amendment that focuses on this—have some tax credits that go to families so they can afford child care.

This is an emergency situation in many of our States. At best, 20 percent of the children in 20 percent of these families are receiving any help whatsoever. There was a powerful piece in the Washington Post last weekend talking about the fact that not only can families not afford this, but there is almost a 40-percent turnover of child care providers every year.

I ask unanimous consent that this article, "Burdened Families Look for Child Care Aid," be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 6, 2000]

#### BURDENED FAMILIES LOOK FOR CHILD-CARE AID

(By Dale Russakoff)

WOODBIDGE, N.J.—Debra Harris, a single mother, quit her \$34,000-a-year job as an occupational therapist for the summer because she can't afford full-time care for her two children.

Kathy Popino, a receptionist, and her electrician husband have gone into debt to keep their toddler and 8-year-old in child care at the YMCA, after a bad experience with a lower-priced home caregiver.

Mary O'Mara, a computer network administrator, and her husband, a factory worker, have junked the conventional wisdom of "pay your mortgage first." They sometimes pay a late fee on their home loan to cover child care first, lest they lose coveted spaces in a center they trust.

Child care is in slow-motion crisis for middle-income families, and Middlesex County, N.J., is in the thick of it. With three of four mothers working outside the home—near the national average—this swath of suburbs dramatizes the cost to working families of the national political consensus that child care is a private, not public, responsibility.

For 30 years, politicians have promised to shift the burden for families in the middle, with little result. Vice President Gore recently called for tens of billions of dollars in spending and tax breaks over a decade to improve care from infancy through adolescence—a proposal advocates called impressive in its reach, but short on resources and details.

Texas Gov. George W. Bush has proposed initiatives only for the poor, saying working families can apply his proposed income tax cut to child care bills.

Would-be beneficiaries here had a feeling they'd heard that before.

"I was so hopeful when the Clintons came in," said Popino, 34. "I saw Hillary as a working mom's best friend. I remember she said, 'It takes a village.' Okay, it's been eight years. When are they going to get to my village?"

The politics of welfare reform has focused national attention and money on the vast

child care needs of women in poverty, which remain unmet. And the economic boom is helping affluent families pay full-time nannies or the \$800- to \$1,000-a-month fees at new, high-quality centers.

But with a record 64 percent of mothers of preschoolers now employed, and day care ranked by the Census Bureau as the biggest expense of young families after food and housing, officials say middle-income families routinely are priced out of licensed centers and homes. The median income for families with two children is \$45,500 annually, according to the Census Bureau.

"Basically, we have a market that isn't working," said Lynn White, executive director of the National Child Care Association, which represents 7,000 providers.

In a booming economy in which almost any job pays better, day care centers now lose a third to more than half of their staffs each year, and licensed home caregivers have quit in droves, according to national surveys.

The average starting wage for assistant day care teachers nationally rose 1 cent in eight years—to \$6 an hour. Weekly tuition at centers in six cities rose 19 percent to 83 percent in the same period, as states tightened regulations.

Most industrialized countries invested heavily in early-childhood care as women surged into the work force in the 1970s, but Congress and a succession of presidents left the system here mostly to the marketplace, directly subsidizing only the poorest of the poor.

A federal child care tax credit, enacted in 1976, saves working families \$3 billion, but advocates say it has fallen far behind inflation. (It saved Debra Harris \$980 last year, leaving her cost at more than \$7,000.)

When the military faced the same crisis of quality, affordability and supply a decade ago, Congress took a strikingly different approach. It financed a multibillion-dollar reform in the name of retaining top recruits and investing in future ones.

The result was a system of tightly enforced, high-quality standards for day care, home care and before- and after-school care. It included continual training of workers and more generous pay and benefits.

Advocates hail the system as a model. With 200,000 children in care, it costs an average of \$7,200 a child, which the government subsidizes by income.

"The best chance a family has to be guaranteed affordable and high-quality care in this country is to join the military," concluded an analysis by the National Women's Law Center.

Debra Harris used to drop her kids at Pumpkin Patch Child Development Center in working-class Avenel every morning at 7 in a weathered Ford Escort. She popped buttered bagels in the center's microwave for their breakfasts before heading to Jersey City, where she was a school occupational therapist.

A bus took Whitney, 9, and Frankie, 7, to school and brought them back at day's end to Pumpkin Patch, which they complained was cramped and a bit boring. Their mother considered it the safest and best care she could afford.

This summer, though, Whitney and Frankie's needs would have grown before- and after-school care (total: \$440 a month) to full-day care at Pumpkin Patch's camp (total: \$1,400 a month). Harris recently went back over the match, incredulous at the results.

"I can make \$25 an hour on a per-diem basis," she said. "If I work 40 hours a week, that's \$4,000 a month, \$3,200 after taxes. If I take out \$1,400 for my mortgage and \$1,400 for full-time day care, that leaves \$400—\$100

a week to buy food and gas, pay bills, go to the shore on the weekend. This is crazy!"

So Harris decided to quit her job for the summer, find part-time work and draw down her savings.

At 30, Harris prides herself on providing for her children "without ever using the welfare system, thank God," despite difficulties that include an ex-husband who is more than \$6,000 behind in child support, according to her records.

Child care was never easier when she was married, and not just because of her husband's paycheck, Harris said. Early in their marriage, they were stationed in Germany with the Air Force and had access to German-subsidized child care. They paid \$40 a month per child for full-time care in a state-ly, 19th-century building within walking distance of their home.

"I find it really discouraging that my own government says I shouldn't need help with child care," Harris said. "Now is when I really need some help."

The first time Washington tried to help—and failed—was 1971. Congress passed a \$2 billion program to help communities develop child care for working families, but President Richard M. Nixon vetoed it as ill-conceived, writing in his veto message that it would "commit the vast moral authority of the National Government to the side of communal approaches to child-rearing over . . . the family-centered approach."

Mothers of school-age children kept going to work anyway. In 1947, 27 percent was employed at least part time; in 1960, it was 43 percent; in 1980, 64 percent; in 1998, 78 percent. State governments took the lead in setting child care standards, which vary dramatically, as do fees and quality.

In the late 1980's, with the number of children in care surging, Congress again took up the cause of middle-income as well as poor families. The resulting Act for Better Childcare, signed by then-President George Bush in 1990, vastly increased aid to the poor, whose needs were the most urgent. But middle-income families were left out.

Poor families' needs became even more pressing in 1996 with the passage of welfare reform, which sent women from assistance rolls to the work force. A federal child care block grant aimed at families making up to 85 percent of a state's median income is going overwhelmingly to families in or near poverty, reaching only 1 in 10 eligible children, according to the U.S. Department of Health and Human Services.

In 1988, President Clinton moved to expand the child care tax credit but was blocked by Republicans who said it slighted mothers who stayed home with their children.

This election year could be different, several analysts said. Although most voters care less about child care than Social Security and taxes, the issue rates highest with women younger than 50, particularly those under 30, a crucial voting bloc for both Bush and Gore.

Unlike 1996, when these women were solidly for Clinton, their concerns now have political cachet, according to Andes Kohut of the Pew Research Center for the People and the Press.

At the same time, advocates are linking quality child care to school readiness, hoping to tap into the national focus on education. They emphasize that the government subsidizes higher education for all families, but not "early ed," as they call child care, which hits young families, who have fewer resources.

Another political impetus comes from recent reports of the U.S. military program's success. Newspaper editorials in almost every region of the country asked why the civilian world can't have the same quality child care.

Kathy Popino has been asking for years. Her husband, Warren, was in the Coast Guard when their son, Matthew, was born, and they paid \$75 a month—subsidized by the Department of Defense—to a home caregiver trained by the DOD. "She was wonderful. The military inspected all the time," Popino said.

When Warren left the Coast Guard to become an electrician, they moved to Metuchen, N.J., but couldn't find licensed care at even twice that price. They opted for an unlicensed home caregiver who cared for Matthew for \$80 a month, along with two other children.

But Matthew, then 2, began crying nights, and "his personality did a 180," Kathy said. Unable to sleep herself or concentrate at work, Kathy moved him to a state-of-the-art KinderCare Learning Center they couldn't afford. "Visa became our best friend," she said.

Ultimately, they moved him to the YMCA, where they now pay about \$800 a month for high-quality, full-time care for Gillian, 1½, and after-school care for Matthew, 8. The program there includes weekly swim lessons, daily sports and homework help in spacious, sun-filled rooms.

In the process, Popino has developed a keen class consciousness. "When summer camp starts, you pay every Monday, and everybody who pays with credit cards walks out to our used cars we owe money on. The people paying by check walk out and get in their new Lexus," she said.

The Y's fees are lower than prices at similar, for-profit centers, but cost pressures are rising as the labor market tightens. Child care director Rose Cushing said turnover rates are well over 30 percent, even with the agency paying health benefits to its teachers.

Twenty minutes south on U.S. Route 1, at Pumpkin Patch, where fees, teacher pay and the facilities are more modest, proprietor Michelle Alling has held on to four of her head teachers for five years, mainly because of their loyalty to the children.

On a recent morning, as one teacher baked chocolate-chip cookies with flour-blotched 3- and 4-year-olds, Alling acknowledged that they all desperately needed higher wages.

But "then you have families literally handing you their entire paycheck," she said, "and where does it come from?"

Mary O'Mara, the mother who sometimes makes ends meet by paying late fees on her mortgage, said politicians who look past this issue must live in a different world than hers. She wishes she could show them what she showed her mother, who used to tell her to relax and stay home with her children.

"I sat her down with a calculator, and I gave her a month's worth of bills—food, mortgage, child care, gasoline," O'Mara said. "There was almost nothing left, and that's with two middle-class incomes."

"She looked at me like she didn't believe it. She said, 'I didn't realize how tough it was out there.'"

Mr. WELLSTONE. Mr. President, instead of the repeal of the inheritance tax going to the wealthiest 2 percent, we could provide some tax credit assistance for working families so they could better afford child care for their children. Why can't we do that?

The evidence is irrefutable. The evidence is irreducible. These are the critically important years. Families in our States tell us how important this is. What are we doing moving forward on repealing an inheritance tax for the wealthiest 2 percent of Americans, not targeting it to family farmers and

small businesses but across the board, instead of using some of this money—\$100 billion over the first 10 years, but \$750 billion over the second 10 years—to make sure families in our country can afford good child care for their children?

By the way, even when I talk about tax credits invested in affordable child care, it breaks my heart because this will not even be near enough. The truth is, we have to get serious about good developmental child care, and that means men and women who work in this field should not make \$8 an hour or \$6 an hour with no benefits at all, but we should value the work of adults who work with children; that we not continue to pay men and women who work in child care centers half of what we pay men and women who work in zoos taking care of animals.

As a Senator from Minnesota, I am absolutely confident that I am reflecting the priorities of Minnesotans when I say repeal of this estate tax, now crafted in such a way that it goes to the wealthiest 2 percent of Americans, is hardly a priority for people in Minnesota or people in the country. I would prefer to see us make the investment in child care. I intend to offer an amendment that deals with additional tax credits which will provide help for working families.

I will not use statistics, but every Senator, Democratic and Republican, knows intuitively that in today's economy, one of the most important indicators of whether or not a young person—or not such young person, since many of our students are no longer 18 and 19 living in a dorm but they are 40 and 50 years of age going back to school—can succeed is whether or not they are able to complete higher education. Yet we have this huge gap between the number of young people, or not such young people, from low- and moderate-income backgrounds who are able to complete college versus those who come from upper-income or upper-middle-income families, and it is because of the cost of higher education.

We have not fully funded the Pell Grant Program where we get the most bang for the buck, and when we passed the Hope Scholarship Program and said there would be a \$1,500 tax credit for students to afford the first 2 years of school, it was not a refundable tax credit. So for a lot of the students in the community colleges in Minnesota, if they come from families with incomes under \$30,000 a year, \$28,000 a year, they do not get any benefit because it is not a refundable tax credit.

What could we be doing instead of moving forward on an agenda that repeals this inheritance tax that benefits the wealthiest 2 percent of the population? What we could do instead is provide refundable tax credits for our students so they can afford to go on to colleges and universities and do better for themselves and do better for their children. I say better for their children because, again, I have reached the con-

clusion, having spent a lot of time on campuses in Minnesota, that the non-traditional students have become the traditional students, and probably the majority of our students are now in their thirties and forties with children going back to school so they can do better for their kids.

Are we committed to education? Here is where we could be a player. Instead of repeal of this estate tax that the majority party wants us to move forward on, why are we not talking about a commitment to education? Why are we not, as Senators, making a difference where we can make a difference?

Yes, we can make a difference in kindergarten through 12th grade, but we can make a huge difference, it is our role to make a difference prekindergarten: to make a commitment to affordable child care so children coming into kindergarten are ready to learn; to make sure every child has an opportunity to do well; to make sure our students can go on and afford higher education so they can do better by themselves.

Why are we not making this commitment to education? What are we doing out here, trying to move forward this piece of legislation that is going to cost \$100 billion over the first decade and then up to \$750 billion over the next decade, with all of this money and all of these benefits flowing, roughly speaking, to the wealthiest 2 percent of the population? I have a bill, as does BARNEY FRANK in the House of Representatives, that basically says: What we can do is agree that we are talking about, by definition, very wealthy Americans; that we are trying to repeal this inheritance tax. We are saying—and I quote Barney Frank—"If you're old, rich, and dead, we're with you. If you're old, sick, and middle class, you're out of luck." I do not know that I would put it quite that way, but basically we could take this \$750 billion over the second 10 years, \$100 billion over the first 10 years, and finance prescription drug benefits so seniors will be able to afford prescription drugs.

I come from a State where fully 65 percent of senior citizens have no prescription drug coverage at all. All of us can talk about people who are spending up to \$300, \$400, \$500 a month to cover prescription drug costs, and maybe their total monthly budget right now, based upon what benefits they have, is \$1,000 or \$1,200. We can talk about people who cut pills in half, though that is dangerous. We can talk about people who are faced with the choice: Can I afford prescription drugs or can I afford to eat but not both?

What in the world are we doing trying to proceed on a piece of legislation which is not at all targeted, which provides huge benefits, which basically busts our budget and robs our ability to invest in other decisive areas that are so important to people in our States and provides the benefits to the wealthiest 2 percent?

This debate is really a debate about our priorities and, and I will draw a bit from the Center on Budget and Policy Priorities: In 1997, the estates of fewer than 43,000 people—fewer than 1.9 percent of the 2.3 million people who died that year—had to pay any estate tax. That is 1.9 percent, roughly speaking, among the wealthiest 2 percent in the United States of America. It is going to cost us \$100 billion over the first 10 years, and it is going to cost us \$750 billion over the next 10 years.

You know what. If we had an unlimited amount of money, and we did not have other needs—such as affordable child care, making sure we have health security for families, making sure people have a pension, making sure young people and not so young people can go on and afford higher education, and making sure families can do well by their kids so they can do well by their country—I might be all for it.

But what about these other decisive needs? Don't they come first?

Mrs. BOXER. Will the Senator yield for a question?

Mr. WELLSTONE. I would be pleased to yield.

Mrs. BOXER. One of our colleagues was saying he was visited by an extremely successful gentleman who was worth in the hundreds of millions of dollars, perhaps as much as \$1 billion. The gentleman was discussing with this particular Senator this repeal of the estate tax for the wealthiest in our Nation, for the billionaires, if you will, for the most wealthy among us. This very wealthy person was making the point that he was not for this repeal for the very wealthy.

He said we could fix it for some of the family farmers, the small businesses, with which, by the way, Democrats on the whole have agreed. But he said: Do you know how I made my money? A lot of people have worked for me. He said: Those people have worked really hard for me. They didn't grow up to be millionaires. They got up every day, and they worked for my business. He said, in a sense, if his children had to pay some of the inheritance back, and we took the funds here and put them into education and job training and health care and prescription drugs, he would feel pretty good about it.

Now, granted, this is a type of a person you do not run into that often. Most people are not that selfless. But I think that gentleman really put it out there for us to contemplate.

This is the greatest nation in the world. With a good idea, people can come up from poverty and they can make it to the top. Their heirs perhaps may not be that hard working, but maybe they are. But the fact is, this gentleman has focused on this, to say to this great country: I want to see it continue to be great. There is a notion about that, that this gentleman, I believe, has focused upon.

I offer that up to my friend because he points out how much work we have to do for ordinary people who get up

and face problems every day. It seems to me to be a very small price to pay, for very few people at the very top who have, in a sense, made it mostly because of these hard-working people, that their estates give back a little bit to this great country to defend itself, to be able to afford to educate its young, et cetera. I want my friend to just comment on that.

Mr. WELLSTONE. Mr. President, I thank the Senator from California. I actually would like to comment on her point in two ways.

First of all, let me point out, right now the total exemption for most estates that include a family-owned business is \$1.3 million in 2000. That is what it has gone up to. A couple can exempt up to \$2.6 million of an estate that includes a family-owned business or farm.

I would have no problem further targeting that. I do not think my colleague from California would, either. But the proposal out on the floor by the Republican majority—a sort of across-the-board repeal that amounts to \$850 billion of lost revenue over the next 20 years—has to be considered alongside what we are about as a nation, what we are about as a people. I think the Senator from California speaks to the whole question of community.

My definition of community is that we all do better when we all do better. The interesting thing is that many people in Minnesota who are economically very successful—I do not know if they are the wealthiest 2 percent; I can think of some for whom I think I can speak who would say: Look, in all due respect, in terms of the scheme of your priorities, my gosh, get it right first for children. Get it right by way of helping families and helping children. Get it right by investing in education.

We now have 44 million people with no health insurance whatsoever. We have probably twice that number who are underinsured. We have senior citizens for which Medicare does not pay for prescription drug benefits in many of our States, or cover very little of it, who are faced with those expenses. We have a lot of elderly people—we do not talk about this much—who are terrified that they are going to have to go to the poorhouse before anybody will help them with catastrophic expenses, if, God forbid, they can't live at home.

Right now—my colleague from Wisconsin knows this well; this has been one of his priorities—we have not put anywhere near the resources we should put into assisted living so people can stay at home and live as near a normal circumstance as possible. That is a big family issue.

Let's think about this for a moment. From little children—under 4 feet tall, who are beautiful, all of them—to people who are elderly and are having a hard time paying their health care bills, and especially at the very end of their lives, who are frail and are wondering can they stay at home and live

with dignity and wondering who will help them, or if, God forbid, they have to be in a nursing home because of Alzheimer's disease or whatever the case may be, that across the board we have not made the investment.

There is a lot we need to do as a nation. These are important priorities, not only for our country, not only for California or Minnesota. That isn't the right way to say it. These are important family values. I say to Senator BOXER from California, what I am asking is: Where are our priorities that focus on family values?

To me, it is a family value to come out and talk about tax credits or a direct investment of money to make sure child care is affordable. It is a family value to make sure people, at the end of their lives, or toward the end of their lives, who have worked hard and have built this country, should not have to be in terror that there won't be anybody to help them stay at home, or, if they are in a nursing home, nobody to help them with their expenses.

The United States of America—I love this country—is the only country where you have to go to the poorhouse before you are eligible for any help—Medicaid, Medicare assistance. Clearly, as a nation, in terms of our own priorities, we are going to have to start valuing the work of adults who work with children. We are going to have to start valuing the work of adults who work with elderly people. We pay them \$6 or \$7 or \$8 an hour, with no health care benefits. This cannot be done on the cheap.

We have all these challenges. We are talking about \$100 billion the first 10 years, and then the second 10 years, \$750 billion. That is what this costs to provide a blank check benefit to the wealthiest 2 percent of the population.

We have all these challenges before us in terms of Medicare, in terms of Social Security, in terms of making sure there is health security for families, in terms of making sure we get it right for our kids. They are the ones who we are going to be asking a lot of by the year 2020.

In the words of Rabbi Hillel: If not now, when? If we can't invest in our children now, when will we? If we can't invest in the health and the skills and the intellect of our children now, when will we ever do that?

So I say to my colleagues, I just mention one amendment which I hope to be able to bring to the floor on this bill, which will talk about rather than all of these benefits just going to the wealthiest 2 percent, how about an additional refundable tax credit to help families afford child care expenses?

I say to my colleague from California, and other colleagues as well, I am for patient protection, I am for passing legislation that provides not only patient protection but provides caregivers protection. Demoralized caregivers are not good caregivers. I think doctors and nurses ought to be in the kind of position to practice medi-

cine the way they thought they could when they were in nursing or medical school.

But the other issue is all the people who fall between the cracks who have no health security. I am amazed that universal health care coverage is not back on the table. I do not believe for a moment that the United States of America, the wealthiest country in the world, with a booming economy, and record surpluses at the moment, cannot provide health security for American citizens, for families in this country.

You can't have it all ways. If my Republican colleagues want to come out and say their priority is to provide a great tax benefit for the wealthiest 2 percent of the population, which is going to cost us \$850 billion over the next 20 years, then not only are we not going to be able to do right by Medicare, not only are we not going to be able to provide prescription drug costs, but we are not even going to begin to be able to talk about how we reach the goal of health security for every American citizen, for all the families in this country.

What are our priorities? Instead of moving forward on this piece of legislation, we ought to be focusing on health security for American citizens. Not that we need to look to the polls to give us guidance, but not surprisingly, along with education, health security for families and citizens, emerge as top issues.

I will mention two other issues in terms of what we could be doing and what we should be doing, instead of repealing the estate tax blanket repeal, across the board, benefits going to the wealthiest 2 percent of the population. I think I speak for every Senator, Democrat and Republican, on this one. In 1997, we passed what was called the Balanced Budget Act. Some people voted for it; some people voted against it. I am glad I voted against it. Different people vote different ways. If it wasn't then, it is crystal clear now that what we have done to the Medicare reimbursement by so dramatically cutting it has had a catastrophic effect on our hospitals and on our nursing homes, especially in our rural communities.

I attended a recent gathering at White Hospital in Hoyt Lakes, up on the Iron Range. Hospitals in a State such as Minnesota, where we don't have the fat in the system, do not make excessive profits at all. They are going to go under. We are going to have more and more hospital closings. These hospitals are community institutions. These hospitals are important to communities, not only because rural America doesn't do well; when people are trying to decide if they want to live in a rural community, they want to know whether they can afford to live in the community: will there be a job at a decent wage? Can they afford to farm? Are they going to get a decent price?

The second thing they want to know is whether they want to live in a rural

community. If they don't have good health care and good education, they are not going to do it.

Last year, we said we fixed this problem. We restored about 10 percent of the cuts. Again, I am not now talking about universal health care coverage, although I believe our country must embrace this idea. I will introduce a bill next week, working with the Service Employees International Union. It is a decentralized health insurance program. I like it a lot. I want to get it back on the agenda. I think it is important that we have a constituency to fight for it in the country.

I am not even talking about prescription drug benefits. I am not even talking about major reform. I am saying, I don't know how in the world we go forward with this kind of across-the-board blanket repeal with the benefits going to the wealthiest 2 percent of the population when we aren't even getting it right in terms of getting the reimbursement that our health care providers actually deserve back in our States.

I will mention one other issue. Senator FEINGOLD is here on the floor, along with Senator BOXER, Senator REID, and Senator BURNS. Instead of going forward with this tax scheme, why aren't we dealing with a core issue: reform. Why aren't we debating campaign finance reform? There is probably a pretty strong correlation. Some of the programs I have talked about and some of the values I have talked about, the people who would most benefit are not the heavy hitters, not the givers. They are not the investors and big contributors. Clearly, the wealthiest 2 percent of the population are among the ranks of the biggest givers, although there is not a one-to-one correlation. Clearly, at the very top, many people I know in Minnesota and I think around the country think we ought to get our priorities straight. We ought to start with some of the priorities I have talked about.

Why aren't we dealing with reform? When are we going to get to dealing with the ways in which money has come to dominate politics? There is the McCain-Feingold bill. There is the clean money/clean election efforts in different States. I have introduced that legislation. One of the things I would like to do is to at least change three words of the Federal election code which would enable States, if they want to, to apply clean money/clean election to Federal races. If the State of Wisconsin or Minnesota said it would like to apply this to State legislative races but also to Federal races, it ought to be able to do that.

Whatever your own preference, I think people in our country are begging us to move forward on a reform agenda and to give them a political process in which they can believe. I think citizens in our country are yearning for politicians they can believe. They are yearning for a Senate and House of Representatives in which

they can believe. They are yearning for a political process in which they can participate. Right now there is so much disillusionment and disengagement, it should worry all of us who believe in public service. I can't think of anything we could do that would be more important than to pass significant, substantive campaign finance reform, instead of a tax scheme in its present form providing the benefits to the wealthiest 2 percent.

Couldn't we be talking about campaign finance reform? Couldn't we be talking about renewing democracy in America? Couldn't we be talking about how to restore confidence in the Government and the political process? Couldn't we be talking about renewing our national vow of equal opportunity for every child and affordable child care? Couldn't we be talking about how to help families do well by their kids so they can do well by our country and could do well by our States? Couldn't we be talking about how to help men and women who want to go on to higher education afford higher education? Couldn't we be talking about making sure elderly people can afford prescription drugs? Couldn't we be talking about how to have more health security for people in our country? So many citizens fall in between the cracks; so many citizens feel so insecure. Couldn't we be talking about all of that and more with a booming economy and record surpluses? Couldn't we now get some resources back in the communities so our families could do better, so our children could do better, so that we all would be doing better because we all would be doing better, which is what a community is about? I think we could. That is where we ought to be focusing.

I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. REID. Will the Senator from Montana yield for a unanimous consent request?

Mr. BURNS. I will yield.

Mr. REID. Mr. President, I have been advised by the two managers of the Interior appropriations bill—and this has been approved by the two leaders—that we would ask all Members to notify their respective Cloakrooms and/or Senator BYRD or Senator GORTON that by 6 o'clock tonight they should get all their amendments to either the Cloakroom or to the two leaders. It will be a finite list of amendments. Then the two leaders, the two managers of the bill can work through that and at some time have the actual amendments in their hands. I ask unanimous consent that that be the case.

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

The Senator from Montana.

Mr. BURNS. Mr. President, I listened with great interest to my friend from Minnesota on this issue. I am not really sure if he was talking about families or not. The standard of living that this country enjoys has to be attributed in

part to parents, moms and dads, grandmas and grandpas, and their ability to pass on some of their wealth to the next generation.

We all work hard for our kids. I don't know of a parent who doesn't work for their kids in this country. While we were doing that, we elevated the standard of living and the wealth of this country for more people than any other society on the face of the planet.

I didn't come from very wealthy folks.

My dad was a small farmer in Missouri with 160 acres, two rocks, and one dirt. But last year, I lost one of my elderly aunts, a sister to my father. In her estate, I inherited only one thing in the will—a 1991 Lincoln Town Car. I have never owned a Lincoln in my life. But you know what happened to that old car? It was sold in the estate sale to pay for the taxes. I was mad. Well, I am not saying we are doing badly now; what I am saying is, forget about the top 2 percent that the other side talks about because they don't pay estate taxes, folks. They have CPAs and lawyers. They can set aside trusts and do a lot of things to guard their fortunes and pass it on to the next generation of the family. It is the middle who gets hit. It is the man and wife who started off as a young couple and built a business. They pass on, the Government taxes it again after it has been taxed all of those years.

So how much do you want these folks to give? We could have been talking about a lot of things today. We could have already had an H-1B visa bill, which is being blocked by the other side. They didn't like a lockbox for Social Security. They didn't like education reform, so they blocked that too.

Now we are talking about a simple estate tax. To give you an idea, I have some good friends who live up in the middle part of Montana, and they are not wealthy, either. But this is who gets hurt. This is real stuff, not pie in the sky. This is not philosophical. This is plain old middle America.

These folks lost their father and were given, starting in 1991, estate taxes of \$4,584.81. Then they started making regular payments. In 1992, \$13,000; in 1993, \$15,000; in 1994, \$14,000; in 1995, \$14,000; in 1996, \$16,000; in 1997, \$15,000; in 1998, \$12,000; in 1999, \$12,000, and they have another payment coming up this December. They have been paying on this for their father who has been dead for 13 years. These aren't wealthy people. I know them personally. That is who this falls on. The top 2 percent? That is a myth and everyone should know it.

Some folks in Polson, MT, have a series of small theaters. They are in little bitty towns in Montana. They are scared to death of this thing. They are getting to the age now where they are starting to worry. They have to set up some ways to shield themselves, but they are finding out that being that small, they can't. That is what we are talking about.

I ask unanimous consent that a letter sent to me, dated July 10, 2000, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 10, 2000.

DEAR SENATOR BURNS: Please eliminate the estate tax. My husband and I and our children have worked for thirty years to build a stable family business which provides us with a modest living. We expected to pass it on to our grown children who are working with us, but upon our death they will be forced to sell pay the estate tax.

We own movie theaters in seven small towns in Montana and one is in Idaho, populations ranging from 2,500 to 10,000. We purchased the first one in 1971 a few months before our youngest daughter was born and the last theater was in 1992. It has been a family business, our daughters grew-up in the theater business, earning their first money selling popcorn. Now our oldest daughter and her husband are working full time as film booker and general manager. We would like to leave this operating business to our children, but it will not be possible if they must pay an estate tax on the appraised value of the business and buildings it has taken us years to accumulate and renovate.

The income of our business could not support the extra expense of the estate tax. The theater business is similar to other small business and farms where the value of the land, buildings, and equipment does not equate with the small profit derived from it. A huge tax on the value of the business is an extra expense the business can not pay. Therefore, upon our death, the theaters must be sold to pay the taxes.

When this business, our family has built, is sold it will leave our son-in-law and daughter with no means of support after devoting half their life to the company. They will be forced to start over at middle age. Yes, they will have some money, the amount remaining after taxes, real-estate, accountants, and lawyers fees, but certainly not enough to support them through old age. If the operation is not disrupted they can continue to be a stable tax payer and employer. I would also expect they would continue to provide quality movie theaters and possibly add more theaters in other small towns.

Please, this family has worked thirty years to build a profitable stable business we expected to continue into the next generations, please eliminate the Estate Tax.

Sincerely,

AYRON PICKERILL.

Should we be talking about this? Yes. Should we be talking about an energy spike? Yes. I have a situation in Montana where I have one concentrator that concentrates copper ore. They were shut down because of an electricity spike because of a policy of not allowing construction or the ability to generate more electricity. Maybe we better start talking about that. Yet some would embrace a policy to tear down the hydrodams on the Snake River and the Columbia River. Maybe we should start talking about that because that is going to throw a lot of moms and dads out of work. A lot of grandmas and grandpas aren't going to like that, either.

Who it hits is the small farmer. I can look around this body and I see my good friend from Wisconsin, where there are small farms over there; most of them are in the dairy business. They

feed a few cattle, and they have hogs and a few sheep. They will find it very difficult to pass that along to their next of kin without paying a big tax. Why? Because during all this time we have been told of this great economic boom—and it has been on paper—rural America has not participated. Prices on the farm have not been that frisky, and they are not this year, either. What happens is that you are land rich and cash poor. Should something happen to the principal on that farm, it will probably sell at the steps. They will have to give it up to pay the estate taxes because, as land has gone up in value, just because of the demand for the land, not for what it will produce, it will have to sell.

If you want open areas and you want to protect the environment, do away with this estate tax and allow the open areas of America to stay open areas of America. As I have stated before, the truly wealthy do not pay that tax because they have CPAs and lawyers. They have an army of folks. They make sure they won't ever have to pay this tax. So it falls on the middle.

Large estates are still subject to capital gains. The other side won't talk about capital gains reform. Nonetheless, the large estates is where capital gains fall. Study after study shows that this tax imposes significant costs on the economy in terms of lower economic growth and less job creation. We are hurting enough in Montana.

We have to get our agriculture out of the doldrums. We have to be able to build an estate with a future, with the ability to give it to the next generation, letting it grow again, because we are a small business in Montana. I guess I am worrying about the folks who are on the land because I have participated in some of those sales. I am an auctioneer and proud of it. I never had the handle of being a lawyer—only an old cowboy who sputters numbers pretty well. I have sold out those folks and I know what they feel like. In fact, I sold out one, and when the sale was over and the settlement was all done, I gave them back my commission because, had I not done that, they would not have had anything.

If you want to do something for the children of this country, you ought to do something for education. If you want to do something about the quality of life in your sundown years, then allow estates to grow and allow them to be passed on to the next generation. We all work for our kids. That is what we are talking about. We are talking about a value we have had in this country since its inception. That is why we have grown. That is why we have more people who enjoy the good life in this society than in any other society.

That is what it is all about. We have a way in times of surplus of building even more wealth in your hometown rather than the wealth in Washington, DC. That wealth is in a bureaucracy that produces nothing. Let communities build. Don't jerk that money out

of those communities. Let it grow. Let it grow at home. Let's pass this bill.

I yield the floor.

The PRESIDING OFFICER (Mr. CRAPO). The Senator from California is recognized.

Mrs. BOXER. Mr. President, I believe under a previous order I will be next to speak.

The PRESIDING OFFICER. The Senator is correct.

Mrs. BOXER. Thank you very much.

Mr. President, I hope people have been listening to this debate today because, frankly, I think it has been an important one so far. There are many people who are students of politics, and sometimes they get lost in what one party stands for versus what another party stands for. I think when you listen to these debates on the floor, many times you won't get the differences. But I think today you will get the differences between the parties. I think that is important. Regardless of what side you agree with, I think you need to know where people stand.

One of the absolute rights of the majority in the Senate—regardless of whether it is Republicans in charge, which is what we have now, or the Democrats, which we had when I first arrived here—is that the leaders have the very strong ability to set the agenda. That is one of the good things you get when you are in the leadership. You get to decide what you want to come to the floor. You get to take a look at the array of issues with which we deal, whether it is education or the environment or whether it is our children or our elderly or prescription drug benefits or Patients' Bill of Rights or pro-business legislation—whatever it is that you believe are the most important things. You get to decide which one of those things should come before the Senate.

As our majority leader has said many times, we are pressed for time. We have very few days remaining in this legislative agenda. We are in an election year. In many ways that limits our ability because of the press of time and the need to go to conventions, et cetera.

I think what this majority chooses to bring before us says a lot about who they are, whose side they are on, and in what they believe. The way my side of the aisle—the Democratic side of the aisle—responds to that agenda says a lot about who we are, whose side we are on, what we believe in, and for what we are going to fight. Today is a perfect day to draw the contrast.

Senator LOTT has chosen to put before us a repeal of the estate tax. I think you need to look at what that really means. What does it cost us in hard, cold dollars to repeal the estate tax? The answer is almost \$1 trillion over 20 years.

Who in our society benefits from this repeal? What else could we do with that money if we decided to put this particular issue perhaps a little bit lower down on the priority list?

Once you look at all of these questions, I believe you will get a clear distinction of where the Democratic



Party is and where the Republican Party is. I think that is good. You may come out supporting the Democratic Party, thinking they are on your side, or you may come out supporting the Republican Party and say they are on your side. That is what politics is all about. That is what debating is all about. But most important to me is that there are these defining differences and there is one of those defining differences.

Senator BURNS spoke about how repealing the estate tax is going to help ordinary Americans, and how important it is to help ordinary Americans.

I say to him that if he looks at the estate tax today, there are some inequities we can fix, and that we should fix that deal with family farms and smaller businesses and individuals. But to repeal the entire estate tax is helping those at the very top of the ladder. When I say top of the ladder, I mean those earning hundreds of millions of dollars and whose estates are worth hundreds of millions of dollars—perhaps into the billions of dollars.

If that is considered helping the ordinary person, then I guess I don't get it because when I travel around my State, the ordinary people and the average person are working really hard every day. Do you know what they are bringing home? They are bringing home \$30,000 a year, \$40,000 a year. And in California where we have to earn more, we have couples working. If they really do well, they may bring in \$60,000, \$70,000, or \$80,000 a year. They are struggling at that range to buy a home. They are struggling at that range to find child care that is affordable and that is quality. They are struggling to help their parents meet their medical bills, yes, their pharmaceutical costs or perhaps long-term care or college tuition. They are struggling.

I say to my friends on the other side of the aisle that to couch this repeal of the estate tax as helping the average person is terribly misleading. Let me tell you why.

Right now, we have an estate tax that essentially says to a couple: You are exempted if you are worth up to about \$1 million. It is exactly \$1.2 million. You are exempt. There is an argument to be made that is not high enough given the value of housing, and so on. I can see why that ought to be raised.

The Democrats have an alternative. We raise it to \$4 million for a couple so that in the future, children of couples who leave an estate of \$4 million would have to pay nothing but only under \$4 million. Do you know how many estates? That is a very small number of estates. Probably a percent and a half or so.

We say to farmers and small businesses: Yes, we understand the problem. We are going to increase the exemption for you from \$2.6 million for a couple to \$8 million per couple by 2010. So we are saying that to the small

farmer and the businesspeople who for \$8 million or less there is no estate taxes. Yes, it is going to cost something for our proposal, if we were offering it, because right now we haven't even gotten an agreement from the majority that we can offer our alternative. But it would cost \$61 billion over 10 years compared to \$105 billion over 10 years on the Republican side. It would cost over the next 10 years \$300 billion compared to \$750 billion.

The interesting thing is in our plan we essentially exempt almost everybody, except the very tiptop of the wealth scale. Yes, the Donald Trumps, the Leona Helmsleys, the Bill Gates of the world, who did so well in this the greatest country of all. Yes, their heirs may have to pay something to help the people who want the same chance they had. Because what do we do with the estate tax? It goes into defending our country. It goes into educating our people. It goes into health research to find a cure for Alzheimer's. The people at the very top of the ladder who I talk to say: You know, BARBARA, you have a lot of work to do. One of them isn't worrying about me. I am good. I am OK. My heirs can pay a little bit. It is OK.

But what do the Republicans do? They want to repeal the estate tax—not just for the small family farms, as we want to, and the small businesses and make sure that if they are worth \$8 million they don't have to pay anything. They want to protect the people who are worth \$10 million, \$12 million, 20, 30, 40, 50, 60, 70, 80, 100, 200. Do I hear more? Yes, I do because there is no top. If you are worth \$1 billion, your estate doesn't have to pay anything under their proposal.

To stand here and say that is protecting ordinary people—the average American—is just not true. I would prefer, if this was an honest statement, to say that we are going to help the richest people in this country because that is what they are doing. That is what they are doing.

This is an honest statement: Helping the richest people in this country who are worth \$1 billion, \$2 billion. You name it; there is no cap. To do that, it will cost \$850 billion over the next 20 years.

We can fix the problem with the estate tax for less than half of that, and we can do some wonderful things with the rest of the funds that we save. What can we do? Why don't we look at the Tax Code. Why don't we understand that people who send kids to college have a very big expense. They could use a little help with a tax deduction or a tax credit.

I held a hearing on the crisis in quality child care. In California today—and I assume it is similar in Nevada—for every five kids who need quality child care, only one can get a slot. It is so expensive that people are saying they have to choose between paying their mortgage late and being assessed a late fee and paying child care.

Mr. REID. Will the Senator yield?

Mrs. BOXER. I am happy to yield to the Senator.

Mr. REID. I was in San Francisco recently and saw a headline in the newspaper that in San Francisco, nannies—people who take care of kids—are being paid an average of \$60,000 a year.

Mrs. BOXER. It is out of control.

Mr. REID. What does that do to people who work for \$30,000 a year who have a child or children? It makes it impossible.

Mrs. BOXER. We had testimony from parents and teachers who said sometimes parents are dropping their kids off at places where one would not want to drop a pet off, let alone a child.

Mr. REID. If the Senator will yield for another question, the Senator from California has led the Congress in afterschool programs. We need more money for afterschool programs. Some people have no money for the 2 or 3 hours after their child gets out of school and they get home. So we have latchkey kids, kids running in gangs.

Is that where it goes bad?

Mrs. BOXER. The Senator is absolutely correct. My friend is right. We tried so desperately in this Senate to simply get the funding for afterschool care up to the President's level. We failed.

Where were my friends who say they are fighting to repeal the estate tax, to help ordinary people? Where were they when I had a chance to take another million kids off the waiting list and put them into afterschool care so they wouldn't join gangs? They could not find the funds for that.

That is why I think this debate we are having today, I say to my assistant Democratic leader, is so important. It is all about priorities. The other side gets the chance to set the agenda. They overlook the people who need child care. They overlook the people who need afterschool. They do not want to do school construction. They do not want smaller class sizes. They do not want a real Patients' Bill of Rights. They do not want a guaranteed prescription drug benefit. Any don't even look at other tax breaks that are going to help people who send their kids to college with a tuition tax break.

They come out here, with their hearts full, and fight for the wealthiest people in this country. It is a fact.

Mr. REID. If the Senator will yield for another question, does the Senator recall how much money she was begging for on the elementary and secondary education bill, as well as on other occasions for afterschool programs? Remember how little that was?

Mrs. BOXER. Initially, it was little. Now we are simply asking for the President's level, which would be a couple hundred million dollars. I say to my friend, it is a lot less than this bill loses over the 20-year period.

Mr. REID. I further say to the Senator, as I understand it, in the second 10 years of this bill, we are talking not about millions; we are talking about billions. We are talking \$750 billion.

The Senator is saying if we had the Cadillac of afterschool programs, it would cost \$200 million?

Mrs. BOXER. If we had another \$200 million, that would help reduce this waiting list. We were not able to get any increase whatever out of this particular Congress this year.

Mr. REID. I say to my friend, for each child who is kept from graduating from school, does the Senator recognize the cost on our society when that child drops out of school?

Mr. President, 3,000 children drop out of school each day. It costs our society untold suffering. That child unable to graduate from high school is less than they could be. It adds to the cost of the criminal justice system. It adds to the cost of the welfare system. It adds to the cost ultimately of the education system. Is the Senator also aware that 84 percent of the people who are in prisons in America today have no high school education?

Mrs. BOXER. I was not aware it was 84 percent, but my friend has been a leader on the whole issue of dropouts. His point is well taken.

We are looking at \$850 billion over the next 20 years, just on this tax break, and they have others they will come up with, that are not capped, also, that will give to the top people. Yet they don't want to spend money on what will really make our society strong.

The point the Senator makes is so correct because I remember in the days I was in the House with the Senator, tracking the costs of a high school dropout to society every year. It was hundreds of millions of dollars in the course of their lifetime.

The Senator is exactly right, if we are talking about crime, if we are talking about drug abuse, if we are talking about alcohol abuse, if we are talking about people who are not productive, who cannot hold down jobs, who feel undervalued because they don't have a high school education. These are the competing priorities.

It amazes me how our friends can come with so much passion for the Donald Trumps, for the Leona Helmsleys, for the people who make all this money, and not have even a speck of compassion, it seems to me, for ordinary people.

Mr. REID. Will the Senator yield?

Mrs. BOXER. I am happy to yield to the Senator.

Mr. REID. The Senator recognizes that the minority, the Democrats, recognize this, and we want to increase the size of the estates that are not subject to the inheritance tax.

Mrs. BOXER. That is correct.

Mr. REID. It would increase the general exemption from \$1.35 million per couple to \$2 million per couple in 2 years, by the year 2002; and \$4 million per couple by the year 2010.

Mrs. BOXER. I spoke about that.

Mr. REID. Is the Senator aware this makes just a few estates every year even subject to the tax?

Mrs. BOXER. Exactly. We move also on the exemption for farms and small businesses, and we go up to \$8 million per couple by 2010 on that ladder, as well.

We are only talking about extremely large estates and a tiny percentage of people in this country. It is in the hundreds, really, who will wind up paying any type of estate tax—only those who have made it so big that, yes, maybe they can just give back a little bit to this country to pay for the defense of this country.

Mr. REID. As I understand the Senator, the Senator is saying the minority wants to raise the exemption of the estate tax. We want to, in effect, exclude most every small business and small farm in America from the estate tax.

Mrs. BOXER. That is correct.

Mr. REID. In addition to that, we are saying the really rich in this country, rather than give them a tax break, we should look at giving a tuition tax credit for people who want to send their children to college.

Mrs. BOXER. Exactly.

Mr. REID. We believe there should be some slack cut for child care programs that we have discussed on the Senate floor. And it would not be a bad idea to do something with afterschool programs and a number of other areas that help the working men and women of this country, and not the super rich—and I mean super rich. We are talking about a tax for not a millionaire, not a multimillionaire tax, but we are looking at maybe a billionaire tax.

Mrs. BOXER. That is what we are essentially saying. We really are saying that. That is why I say the question, whose side are you on, is very relevant to this debate.

We recognize the fact there has been inflation. We need to take another look at this estate tax. We are willing to make sure we help our family farmers. We want to help our small businesses. We want to help our individuals so their kids do not find themselves in a bind when they inherit the wealth from their families. We are willing to do that. We know President Clinton is willing to sign such a bill. We know he is going to veto the Republican version because he believes it is unfair to the middle class. He believes it is unfair.

What we are saying is we can take care of the problem and help those who have kids in college or who have kids in day care. We can give a prescription drug benefit that is guaranteed through Medicare to our seniors. We can do all these things and still have enough to do some debt reduction and a little bit for afterschool programs. That is how expensive this repeal is.

Mr. REID. Under the Senator's time, will she yield for another question?

Mrs. BOXER. Yes, I will be happy to yield.

Mr. REID. The Senator represents by far the largest populated State in the country, 3.34 million people.

Mrs. BOXER. That is right.

Mr. REID. Its neighbor, the State of Nevada, the State I represent, has approximately 2 million people. The State of Nevada, under the old formula, does the Senator understand, has only 308 taxable estates?

Mrs. BOXER. Yes, 308.

Mr. REID. Mr. President, 308.

The other thing I ask the Senator is every State—I should not say every State because I am not certain it is true but I believe it is true—every State in the Union has an inheritance tax; if not every State, virtually every State. The State of Nevada 10 years ago passed its own inheritance tax.

Does the Senator realize there is an offset; that is, of the Federal tax that is collected, if a State has an inheritance tax of its own, it comes out first and goes to the State of Nevada or the State of California, for example, rather than the Federal Government?

Mrs. BOXER. Yes, 25 percent of the tax, as I understand it, goes back to our States.

Mr. REID. I ask the Senator if she knows, as I said, a portion of the estate tax goes to the States via estate tax credits as a revenuesharing provision with the States? In Nevada, 100 percent of the amount received through this estate tax credit is used for education, 50 percent is used for State university support, and 50 percent is used for elementary and secondary education. I ask my friend: Is it more important that we continue that, paid by only a fraction of the people in this country? In Nevada, instead of 308, under the new formula, it would be probably less than 100 estates, maybe closer to 70 estates.

The question is, Isn't it better we have—and I do not mean to denigrate him because he has done good things for the country; Bill Gates is worth \$70 billion. If some misfortune overtook Bill Gates, shouldn't that huge estate pay some amount of money for education to the people of the State of Washington?

Mrs. BOXER. I answer that question in this way: I was discussing with another Senator a conversation he had with a very wealthy man who had made hundreds of millions, perhaps billions, of dollars, in the course of his lifetime in this country. Maybe this person is unusually kind and good hearted.

This person was saying to him: This great country made it possible for me to have this kind of accumulation of wealth, which is far beyond what any of my heirs need to have.

He can take care of his heirs for generations to come.

He said: But I have to admit that I earned all this money because a lot of folks worked for me, and those people got up every day. They did not become millionaires, but they did fine, and I want to make sure that, yes, I can help their kids.

That is what happens with an estate tax. How do we spend it? We defend the country for those kids. We help with

education. We help with health research. We may find the cure for Alzheimer's for one of Bill Gates' future generations because of the funds we are able to put into health research.

Our friends on the other side of the aisle, in the name of helping ordinary people, are ignoring the fact that the Democratic alternative—which at this point we do not have permission to offer but I am very hopeful we will get that chance; it would be wonderful; they can support our alternative. They can ease the burden on the small family farms. They can ease the burden on the small businesses. They can ease the burden on couples who have accumulated wealth through, say, buying a house, for example, which went up greatly in value, such as they have in California. I do not want those kids to have to sell the home. That is why I am supporting the Democratic alternative.

We have an excellent alternative that costs less than half of what theirs does and allows us to help people pay for college. It will help grandmas and grandpas get prescription drugs. If our friends on the other side of the aisle really want a bill to become law, they should join hands with us because President Clinton said he will sign that bill. He will not sign the bill that he believes is helping people who are worth billions of dollars.

Mr. REID. Will the Senator yield for another question?

Mrs. BOXER. I will be happy to yield.

Mr. REID. Even in Silicon Valley, where there has been tremendous success and which has been the driving force of the high-tech industry, with the expensive homes, the Democratic version would help people there, wouldn't it?

Mrs. BOXER. I believe so.

Mr. REID. Of course it would, I say to my friend, because even though the estates there are bigger than a lot of places, we are talking about raising this to millions of dollars.

Mrs. BOXER. Exactly.

Mr. REID. Four million dollars.

Mrs. BOXER. All the people who need the help will be helped under the Democratic alternative.

Mr. REID. I say to my friend, even the very rich will be helped; isn't that true?

Mrs. BOXER. There is no doubt about it. If you define wealthy as \$5 million, \$6 million, \$7 million, you are not going to have to pay anything if you are handing down a business, and up to \$4 million for just the normal family exemption.

I say to my friend, another point I think we have not made strongly enough is that it is estimated by people on the Finance Committee that the Republican plan could discourage \$250 billion in charitable contributions over 10 years. Why is that? We know people look at their estate planning and they look at different ways they are going to handle it. They say: OK, I will give so much to Uncle Sam, but I also want to give some to my favorite charities.

The charities are up in arms about this. My friends on the other side of the aisle are often saying how important the role of charities are, and they are right; they are very important. Yet we have estimates that say the drain on charitable pursuits could go down \$250 billion. That is not good news for those folks out there who run the community symphonies and the ballets and the various nonprofits.

If we proceed with the Democratic alternative, we will be easing the burden on the people who need the burden eased; it is costing less than half of what the Republican plan will cost; it is saying to the wealthiest among us—and I am talking about the super-wealthiest, as my friends put it—we want you to do well, but we know you understand the facts of life which are if we take this kind of money out of the Federal Government, we cannot do enough for our child care tax credits and for our afterschool programs. We cannot do enough for those in the middle class who are sending their kids to college. That costs a lot.

The fact is, we have other things we can do that can bring much more relief to ordinary, average American families.

I am going to close the way I opened, and that is to reiterate that I think this debate today has been a very important debate. It is true we are taking some time here, but many times people complain they do not see the differences between the parties; they do not understand what we stand for.

If they did nothing more than to look at the Democratic alternative, which cures a problem but is fair in its reach, if they did nothing more than take a look at the things that we still need to do, the unfinished business around here, to help our people—if I have to hear one more story about a patient in California who tells me that she cannot afford her prescription drugs, when I know we have the resources; just look at the Republican proposal—if you just exempted those who need it, you would have enough left over to take care of the grandma and the grandpa and the person sending their kid to college and the person struggling to pay for child care; we would have enough to do the things we need to do.

I hope the American people will take heed of this debate because in the end it is whose side are you on. I think at the end of the debate they can truly answer the question: Whose side are the Republicans on? The Donald Trumps, the Leona HELMSleys. Whose side are the Democrats on? Ordinary working, middle-class families are who we want to help.

I yield to my friend for a question.

Mr. REID. As I understand it, what the Senator is saying is, yes, we Democrats are willing to lower the taxes on the wealthy, but we do not want to take them away completely?

Mrs. BOXER. Exactly right. We are simply looking at the wealthy people, who we believe are not being treated

fairly because perhaps their wealth is tied up in a family farm, in a small business, in a private home, and we say, fair enough, we do not want to see your family be forced to sell these assets. We do not want that to happen. In our alternative, we take care of this. But we do it in a way that is fiscally responsible, that leaves enough to take care of the pressing needs of our people, which everybody seems to think we have—prescription drugs, after-school care, making sure that our kids get a decent quality education. Frankly, if we can just be moderate in our approach, we can do all of those things and come out on the side of ordinary Americans and be proud of ourselves.

I only hope that as this debate moves forward, the Democrats have a right to offer our alternative, and that some of our friends on the other side of the aisle will recognize that if they join with us, we will have a bill that is fair, that is good, that can take care of our other needs, and that the President will sign into law.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. GRAMS. Mr. President, I rise this afternoon in strong support of the House legislation that would repeal the death tax for working Americans. I support this bill because death taxes are just basically, bottom line, anti-American, antifamily, antieconomic, and antijob growth. The death taxes are just plain unfair. They are unjust, and they must be eliminated.

I know our friends on the other side of the aisle are just so enamored by being able to take some dollars from somebody so they can direct them to the causes they believe are the best. They want to direct where the money goes. They are saying we should take these dollars from these individuals or these families or these groups and bring it to Washington so we can decide in Washington how the money should be spent—not the individual who earned the money, not the trust funds that they might set up.

They always throw around the names of Bill Gates, Donald Trump, and Leona Helmsley. I do not see anything wrong with what they have done and what they have contributed. But somehow if they want to direct or control their money, even after death, somehow my friends on the other side of the aisle have a problem with that. In fact, if I am not mistaken, I think Mr. Gates has already set up a huge trust fund of about \$20 billion to be given to charitable causes.

I hear over there that there would be a reduction in charitable giving. So somehow, if the Government took less of the money from you in taxes, you, in turn, would say: I have more money now, so I am going to give less to charity, or somehow, if the Government takes more from you in taxes, you are going to be more charitable with the little bit you have left.

I think the real debate here is, again, fairness, equity, and who is going to

control or direct the money. Are we going to listen and have it all directed from here; That somehow they know better how to spend the money? They want to generate, control, and grow more Government, that it is more efficient, can deliver better services, and is more fair to Americans.

To me, this is nothing but greed on behalf of some politicians who want to control people. As I said, even after they are dead, they want to take even more money from them.

But their estates give back just a "little bit" in taxes. I do not call 55 percent of everything you worked for, and managed to save, put away, a "little bit." Fifty-five percent—give back a "little bit." Or the heirs should be happy to get half of the estate that your family has worked for, for nothing. You have probably been a part of it. And then after death, the Government can come in and grab 55 percent, and you should be happy because you get what is left over. Don't say anything. Just sit there and be happy because the Federal Government, in all its wisdom, is going to direct those dollars to the best causes and, indirectly, somehow they are going to benefit you and every other American.

There might be waste, fraud, and abuse going through the systems we have today, but if we only pump a little more money into it, or if we can only create more Government, somehow this is better than allowing an individual to decide how that money is going to be spent, what charities that individual wants to give to, what educational programs they want to support. But, no, somehow it is better if it comes to Washington.

But as you know, the Federal death tax is similar to the income tax. It was first imposed as just a temporary measure to finance World War I. Ronald Reagan said: There is nothing more permanent than a temporary Government program.

This is just a great example. The excise tax on the telephone—that was just repealed here a little while ago—imposed 100 years ago as a temporary tax is another great example.

Here is a temporary tax to help finance World War I. It was temporary. But once people get their hands on the money, they somehow believe they have more of a right to your labor than you do, that somehow they have more of a right to the money that you have worked for or generated than you do.

Why? When death taxes became permanent in 1916, estates under \$9 million—that is in today's dollars—were not taxed at all. Death taxes later evolved to supposedly prevent the buildup of inherited wealth. The Government wanted to prevent the buildup of inherited wealth.

This idea of social engineering has made the death taxes, which now range from 37 percent to 55 percent, substantially higher than any other Federal taxes. The lowest estate tax rate is almost as high as the highest income tax

rate, which is now, thanks to President Bill Clinton and the Democratic bill passed in 1993, the highest income tax rate, 39.6 percent.

Keep in mind the death taxes are levied on earnings and assets that have already been subject to income, payroll taxes, and other taxes at the Federal and State level. In other words, you have worked all your life. You have paid taxes up front on your income, on your profits. This is money that you have taken home after taxes, where you built an estate and somehow now they believe that you should pay just a "little bit" more—just a "little bit"—and, oh, by the way, only on the most wealthy in this country. If you have a farmer with \$1 million out there driving a 1975 pickup, and he happens to die unexpectedly, he is among those wealthy individuals that we talk about.

Yes, they throw around the names of Bill Gates and Donald Trump, as if somehow they are bad people, but what they do is they try to camouflage the real reason for this bill, and that is, to get their hands on additional moneys. Despite the efforts by liberals, death taxes have failed to accomplish their stated purposes and instead have created inequality and injustice that hurts millions of Americans. Instead, this is one of the most expensive taxes imposed, and it does some of the most damage on the individuals who this money is taken from.

In fact, I think there are studies out there that have said, if we eliminated the inheritance tax, the estate tax, the death tax, that it would almost be a wash to the Federal Treasury because it costs billions of dollars today to administer because of all the audits and everything that has to be done.

It is costing billions of dollars to impose this tax. Then when we look at the damage it does to farms, to small businesses, to individuals, jobs that are lost, businesses that are lost, tax dollars that are lost, of course, in the process, the Government comes out probably a loser. There are many who would bet that if we could eliminate this death tax today, it would not affect the revenues and, in fact, we would probably have even larger economic growth; that the revenues to the Federal Treasury would be even larger because of it.

It is a punitive, mean-spirited, unfair, unjust, antijob, antieconomic tax that the other side of the aisle seems to like to impose on Americans, successful Americans or Americans just trying to hang on to their farm or their small business.

Let me give a few examples of how death taxes are hurting working Americans. My good friends on the other side of the aisle say they don't want to hear any more of these stories, but we have a lot of these stories because they affect millions of Americans every year.

John Batey of Tennessee runs a 500-acre family farm that has been a part

of the Batey family for about 192 years. John has spent all of his life on his family's farm and, as most other farmers, he plans to be a good steward of the land, to save and to build his assets and some day leave the farm to his children.

After the death of his father 5 years ago and the death of his mother last June, John began to settle his parents' estate. As he was about to take over the family farm, the IRS sent him a death tax bill for a quarter of a million dollars, on a 500-acre farm in Tennessee, a quarter of a million dollar tax bite. The value of the farmland had increased significantly, but the death tax exemption has never been indexed. John had no choice but to sell some other assets. He also had to dip into their life savings and even borrow money to pay Uncle Sam.

Now, when we talk about wanting to have a prescription drug benefit, everything else, what kind of a financial shape has it put this family in? It has taken them from being able to pay and make due for themselves and exposed them to financial ruin and the need possibly of having to come to the Government begging for help because we have taken all their money. Now they are in debt, have less of their assets, and their savings are gone so they can pay Uncle Sam this unfair, unjust death tax. Somehow the big spenders in Washington needed that money more than John and his family needed it for their own well-being.

The story of Lee Ann Goddard Ferris, who testified during the Senate Finance Committee hearing, is another disheartening story. This isn't the Bill Gates of the world. This isn't Donald Trump, Leona Helmsley. This is Lee Ann Goddard Ferris. Her family owns a cattle ranch in Idaho which prospered through 60 years of hard work by her grandfather and father. By the way, they accumulated this after they paid the taxes on all of their income up to this point. In the fall of 1993, her father was accidentally killed when his clothing got caught in farm machinery. The unexpected death was devastating on the family, but so was the news from their attorney. Later on he told them: There is no way you can keep this place, absolutely no way. They said: Well, how can this be? We own the land. We have no debt. We lost my father, but now how are we going to lose the ranch? We don't have a mortgage on this place.

According to Lee Ann, in her testimony before the Finance Committee:

Our attorney proceeded to pencil out the estate taxes . . . and we all sat back in total shock.

When their mother dies, the lawyer told the family, estate taxes will be \$3.3 million. I know that is just a little bit, just giving back a little bit of what has been generated by Washington and this great economy, not by the hard work of millions and millions of Americans. You didn't do anything to create this economy. It all came out of here,

out of Washington. You have benefited from it because of the benevolence and the wisdom out of Washington, not your hard work, not your brainpower, but Washington created this environment. We have heard this on the floor, that because Washington has done this, you have been the one who has taken advantage of it. So you should give back just a little bit to help, \$3.3 million for a family in Idaho from a cattle ranch, just a little bit.

According to Ferris, the family had to sell off a parcel of land. They did this so they could buy a \$1 million life insurance policy for her mother in the event that she should suddenly die. That would pay off one-third of the estate tax. The question still is, How will they handle the remaining \$2 million? They already had to sell some assets to go out and buy this huge insurance policy. That only takes care of 33 percent. Who will pay the remaining \$2 million? Ferris says she doesn't know. When her mother passes away, they are going to have to figure out another way of paying the other \$2 million. Will that be in the sale of more of their assets, selling off more of the farm, basically driving them off the land and putting them somewhere else?

Timothy Scanlan, from my State of Minnesota, owns a family business. His family has built their business over the last 80 years. Their business has created many jobs. It has offered fine products. Again, they have paid taxes all their lives on everything. You are taxed to death the way it is now; the estate tax just finishes the job. They paid taxes, and they have never asked the Government for a handout. When his father and mother died a few years ago, the estates tax took nearly 60 percent of the value of his family business. Mr. Scanlan says:

I am now trying to plan for the fourth generation to take over. As of today, it can't be done. We've worked so hard to create something good that we've created a company that has so much value that we would have to sell it in order to pay the taxes. Families, companies and farmers like us are a small minority working hard for generations only to have our government tax us out of our family business.

This isn't Bill Gates. This isn't Donald Trump. This isn't Leona Helmsley. These are average Americans.

There are many more stories such as these clearly showing that the death tax has hurt hard-working Americans the most. Not the rich; the rich can hire the lawyers. They can hire the estate planners to avoid all these taxes. We are not talking about tax relief for the wealthy, as some claim. I am not here trying to defend the wealthy. They are going to take care of themselves. It might cost them a couple million dollars to go out and hire people to set up the shelters they need. They will do that.

Why are we doing this? Why are we costing millions of dollars in the private sector, billions of dollars in the public sector to try to levy an unfair, unjust, antieconomic tax that hurts millions of Americans?

Realizing this injustice, the Republican-controlled Congress began to provide death tax relief in 1997 to farmers and small business owners by increasing the exemption from \$600,000 to \$1.2 million. When I talked about how increasing taxes of the Federal Government or eliminating the estate tax would almost be a wash, statistics show that about one-third of the surpluses we enjoy today are the direct result of the tax cuts in 1997. It means if we can reduce taxes, the economy grows. The economic pie gets bigger. The economic opportunities are better. The wages can improve. But, no, if you tax something, you get less of it. If that is what we want to do, continue to tax Americans into submission with these death taxes and having to break up or sell their businesses and farms, that is exactly what this unfair tax does.

There are crocodile tears about how if we can only collect this money, how much good can we do with this. Washington can do so much good. Just let us collect this tax, just a little bit of it—by the way, 55 percent—let us collect it, and we will continue these great Government programs. In fact, we will even create some new ones to go along with them.

Last year, we passed the Taxpayers Refund Act. For the first time ever, we voted to completely repeal the Federal death tax. Despite the fact that the President's own White House conference on small business made death tax repeal a top legislative priority, President Clinton vetoed this tax relief legislation.

When I travel around the State of Minnesota, I talk to hundreds of farmers. The one thing they tell me would help them most is the repeal of the death tax.

The average age of the majority of the farmers in Minnesota is 58. Within 10 years, there is going to be a tremendous shift of wealth of farmland and farm assets in Minnesota. Right now a lot of those assets are going to go to the Government, and it is going to drive the next generation off the farm because they won't be able to afford to do it.

I don't know where those farm assets are going to end up, but, because of this unfair tax, the majority of farmers in Minnesota tell me that would be their No. 1 priority. If we want to help rural America, if we want to help rural Minnesota, rural Wisconsin, the best thing we could do is help these farmers by getting rid of this death tax to allow them to pass their assets from generation to generation.

But again, despite the fact that the President's White House Conference on Small Business made the death tax repeal a top legislative priority, President Clinton vetoed this tax relief legislation. This is an administration that does not want to give one dime in tax relief—not one dime. In fact, the President's own bill that he submitted this year, which had a tax relief component

included, would actually raise taxes this year by \$9 billion. That is the President's version of tax relief. We will raise your taxes \$9 billion this year. That is real tax relief.

Here is another example of a President who doesn't want less taxes but more taxes. It is supported by our good friends on the other side of the aisle.

Our Democratic colleagues insist that a cut in the death tax is a tax cut for the rich, and they "can hardly justify a costly tax cut that benefits some of the wealthiest taxpayers."

That is simply wrong. As I said earlier, it is the family farms and the small business owners whom the death tax particularly harms; it is not the rich. That is just cover, a smokescreen. That is the magician saying: Look at this hand, not at what I am doing here with this other hand. Concentrate on the super rich, but don't worry about the average middle-income taxpayer or small businesses.

A typical family farm could be valued at several million dollars due to land appreciation and the expensive farm equipment needed. I have said so many times that a farmer can die and can be worth \$2 million or \$3 million, but it is all in assets, value, and equipment. He has probably never driven a new pickup in his life and has worn his gloves until he can't hold them anymore. Yet, when he dies, he is a millionaire who should "give just a little bit back." Don't pass on the family farm; let Washington have it.

Many farms may never even earn a penny of profit. When the head of the household dies, the family can't come up with the money for estate taxes. They don't have a quarter million dollars in cash-flow. Everything they have is normally invested in the farm, in the assets and equipment. But they have to come up with money to pay the estate tax, and that means they have to sell equipment or land—in other words, break up the family farm.

This is the main reason we lose about 1,000 family farms each year in my State of Minnesota alone. They are driven out of business because of the estate tax. Are these rich people? No, they are hard-working Americans. I strongly believe Government policies should not punish those who have worked hard and been out there building up farms and businesses. There are many compelling reasons to end this unfair and unjust death tax:

First, the American dream is to work hard and make life better for their children. Here, if you work hard and put everything into it, you break your back to do it, if you are successful, they are going to penalize you. You may have built a business from the ground up, brick by brick, acre by acre, founded on persistence and determination, but if you are successful, they are going to break you.

Years of hard work eventually pay off. Their business thrives, farms prosper, and when the time comes to retire or leave the world, they are proud to

pass something on to their children. But, wait, there is the tax man. By allowing them to build upon the success their parents and grandparents had achieved, they know they have given their children a good head start—again, until the tax collector steps in to demand Washington's share, taking up to 55 percent of the estate. As the witness said earlier in her testimony before the Finance Committee, her attorney said, "There is no way you can continue to operate this farm because you have to pay the taxes."

Once the Federal Government has finished taking its portion of the estate, few family businesses and farms can survive. Their heirs may be forced to sell off all or part of the business—again, just to satisfy the tax bill. All of the years of hard work poured into the creation of a piece of security for their family and their future evaporates. Oh, no, this is only for the rich, for the wealthiest. Again, that is a smokescreen to divert your attention, saying: Good, tax the rich people. But those "rich" people are many, many Americans—not a few but many average Americans.

Newt Gingrich once said, "You should not have to visit the undertaker and the tax man on the same day."

I think Mr. Gingrich was right. Research shows that 70 percent of family businesses do not survive through the second generation. Eighty-seven percent don't make it through the third generation. The death tax is a major factor contributing to the demise of family businesses and, as I said earlier, family farms. Nine out of ten successors whose family-owned businesses failed within 3 years of the principal owner's death said it was trouble paying the estate taxes that contributed to the company's demise.

I think Senator BURNS earlier talked about the year after year of payments a family had to make to the Government—\$14,000 a year, \$15,000 a year, \$17,000 a year, and their dad had died 13 years earlier. So they were still trying to make a profit and pay the bills and then pay the tax man over and above their other taxes.

In fact, under the current tax system, it is cheaper to sell the family-owned business before death—cheaper to sell it before you die—rather than pass the business on to one's heirs. That is what happens a lot of times. You can't afford to die, so you have to sell the business beforehand so you can pay less taxes, and you help your family more than by waiting until you die.

No growing business can remain competitive in a tax regime that imposes tax rates as high as 55 percent upon the death of the founder or owner. Clearly, the Nation's estate tax laws penalize those who have worked the hardest to get ahead. Instead of encouraging family-owned businesses, the Federal Government has enacted tax policies that are a barrier to a better economy and better jobs.

A good question would be: On what moral ground should the Federal death

tax be allowed to continue to punish hard-working Americans? If a death tax is unfair on somebody with a \$500,000 estate, or a \$50,000 estate, or if it is unfair to somebody with a \$2 million estate—and now our good friends on the other side of the aisle say we will even grow that to \$10 million—if it is unfair to a \$10 million estate, how can it become fair or morally right on anything above that? On what moral ground should the Federal death tax be allowed to continue?

Revenue from death taxes accounts for about 1 percent of Federal tax receipts. But the real loss to the Federal Treasury could be much greater. It takes 65 cents to collect every dollar. Again, I told you it is a very expensive tax to go out and try to collect because of all of the auditing and everything that has to be done. So it takes 65 cents to collect a dollar. If we take in \$20 billion a year, we have spent about \$13 billion to collect it. It is an unfair tax, an immoral tax, which can drive these families out of business; and we lose even more revenue in lost jobs, lost productivity, not to mention the revenue loss from payroll, income, and other taxes when businesses are destroyed and those jobs are lost.

The death tax provisions are so complicated that family-owned businesses must spend approximately \$33,138 over 6.5 years on attorneys, accountants, and financial experts to assist in estate planning.

Eliminating the estate tax would have a nominal impact on Washington's \$1.8 trillion budget. When you look at the money we would save and the additional tax revenues, we could probably gain from the payroll and other taxes—and, again, this could be a wash—and we don't disrupt or destroy businesses, lives, and jobs.

But by encouraging savings, investing, and the establishment of more family-run businesses, the economic benefits for average Americans would be tremendous. There are many average Americans out there losing their jobs every time one of these businesses has to close or have assets sold off. So it disrupts many people, not just the owners of the business, but many who rely on the business for a livelihood to support their families.

Research shows that repeal of death taxes will create more than 275,000 jobs in the next 10 years. It will create 275,000 jobs if we can get rid of the death tax. We heard one claim that somehow there would be a reduction in charitable giving. So, somehow, if the Government takes less, you are not going to give as much to your favorite charity. I think if you had more money in your pocket at the end of the year, you might give more.

Americans are the most charitable people in the world, giving tens of billions of dollars a year. But the Government wants to take some of that because the Government, again, can be more benevolent or charitable with your money.

I wrote this point down, too. The Democrats said, "We want to help." Who? How? By taking money from some people so they can decide how to disburse it to others, rather than letting the individuals who own the assets make the decisions on charitable giving, whether to their schools, or their alma mater, churches, groups in their community, the Boy Scouts. Billions of dollars a year are distributed this way in charitable giving.

I don't think we need the Government to step in and say: No, we can do that better.

Again, research shows that repeal of death taxes will create more than 275,000 jobs in the next 10 years; that it will increase the gross domestic product by more than \$1 trillion; and it could increase capital stock by \$1.7 trillion.

It sounds to me as if there is another side of this argument—that getting rid of this unfair, unjust, and immoral tax would actually be an economic benefit to millions of Americans and to the Federal Government, for one. With such economic growth, Federal revenues would grow higher as well. Even Washington would benefit if we could get rid of this tax. But they can't see past the blinds. They say: No, we have to continue to penalize these people; we have to continue to take their money; we dare not to do that.

Congress can and should help working Americans keep their family assets by eliminating the damaging estate tax. I strongly urge my colleagues to vote to repeal this tax.

In the next few weeks, the Senate will be considering other important legislation to provide meaningful tax relief for working Americans, such as marriage penalty tax relief. I believe all of these efforts are critical to help ease the tax burden on American families against the marriage penalty.

Why do they call it a penalty? It is an unfair tax because, if a couple decides to get married, the Government wants to take more money unfairly. It is unjust. The estate tax is not different.

I know President Clinton said one time at a news conference a couple of years back, well, it might be an unfair tax but Washington needs the money—something in that respect. I am not quoting him word for word. But that was the gist of it; that somehow Washington needed the money even though it was unfair to take it, or it wasn't the right means of extracting more money from Americans, but somehow Washington needed it. Now we need even more because Washington can do better.

I believe all of these efforts, however, are critical. If we can get rid of the death tax and help to ease or eliminate the marriage penalty tax, it would help ease the tax burden on American families.

I again quote these numbers. It says here that research shows the repeal of the death tax will create more than

275,000 jobs in the next 10 years. It will increase our gross domestic product by more than \$1 trillion. It will increase capital stock by \$1.7 trillion. There would be a lot of financial advantages.

I also hope in the second reconciliation legislation Congress can consider and pass tax relief for American seniors by repealing all of the taxes on their retirement benefits.

Again, this administration and this President decided to increase taxes on the senior citizens receiving Social Security. They increased their taxes in 1993. That is another tax that I think we should repeal.

We talk about seniors not having enough money; that they have to decide between meals and medicine. They have to do that because Washington has decided to take more of their money. We need to repeal that tax on our senior citizens as well.

I challenge President Clinton to sign these tax relief measures into law so the American people can keep a little more of their own money for their own priorities and so they can make the decisions on how that should be done.

Again, I strongly urge my colleagues to vote in support of repealing the estate tax—the death tax—along with these other taxes to give Americans the ability to keep a little more of their hard-earned money.

I thank the President. I yield the floor.

The PRESIDING OFFICER (Mr. DEWINE). The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, as you know, this is one of those days that you actually look forward to when you are running for the Senate. I had an opportunity to be on the floor for virtually the entire debate today concerning the estate tax. It is actually a very welcome debate. But let me be clear. Democrats, as well as Republicans, welcome the opportunity to eliminate the estate tax for middle-income Americans and families who own small businesses and family farms.

We, on this side of the aisle, believe that we can completely abolish the estate tax for the overwhelming majority of American families who this tax affects at a fraction of the cost of the Republican proposal. Why is that? It is because, unfortunately, the Republican proposal focuses so much of the revenue that is available on the super-wealthy.

When Senators give examples, as they have done today, they are often using one kind of example that the Democratic alternative would take care of, but their proposal actually spends great amounts of revenue on people who are actually not in the same position as the families which various Senators have described.

For example, the Senator from Montana, Senator BURNS, came out and very appropriately referred to the various Wisconsin farmers, dairy farmers, hog farmers, and feed farmers. He said this was the purpose of the repeal of the estate tax. But the fact is, you

don't need to completely repeal the estate tax for everyone in the United States of America in order to take care of the problem of every family farmer in Wisconsin with regard to the estate tax. In fact, most of them don't face an estate tax at all given the exemptions under current law.

So this notion that somehow the Democrats are against taking care of the problems of farmers who are land rich and cash poor is simply untrue. It is not the Democratic position. In fact, it is just the opposite.

Senator GRAMS of Minnesota comes out and gives the example of the family from Idaho that faces a \$3.3 million tax burden on the estate tax. He fails to point out that, under the Conrad-Moynihan proposal, that family would get at least substantial estate tax relief, and, we believe, although we would have to check it, perhaps a complete exemption from the estate tax. So the very example that the Senators from the other side of the aisle have used do not support their point. Those examples would be taken care of, I believe, under the Conrad-Moynihan proposal.

It is really a bit of a bait-and-switch approach. You come out and give the very appropriate examples of families who may need some estate tax relief, but the actual proposal spends a great deal of available revenue in this country on folks who, frankly, are not as desperately in need of this kind of relief.

This debate is very welcome because it gives us a chance to talk about what is most important. This motion to proceed allows us an opportunity to actually contrast the majority's priorities with those of the American people. This is a thread that has gone through the comments today of many of us on our side of the aisle—Senator DORGAN of North Dakota, to Senator WELLSTONE, to Senator BOXER. They pointed out that this is a great chance to talk about what the priorities are for the American people.

That is another thing I imagined I would have a chance to do when I came to the Senate. We like to deal in specific subjects and try to give a little expertise and show that we know something specific. But there are also days when we come out and, say, take this subject and that subject and compare them and see what is the most important thing for the American people. Fortunately, the debate today has allowed that opportunity.

By moving to this bill and by trying to pass this bill the way it is written with not just sensible estate tax reform but massive tax cuts for the extremely wealthy, the majority makes clear that it favors tax cuts for the very wealthy above anything else.

No, the majority's priorities are not those of working Americans.

Let me begin by discussing the estate tax, and why the majority's plan to completely repeal the estate tax is wrong.

To begin with, the estate tax affects only the wealthiest property holders.

In 1997, only 42,901 estates paid the tax. That is the wealthiest 1.9 percent. People are already exempt from the tax in 98 out of 100 cases. Let me repeat that. Already, under current law, 98 out of 100 cases are completely exempt from the Federal estate tax.

This year individual estates up to \$675,000 are exempt from taxation, and each spouse in a couple can claim that \$675,000 exemption. So a couple can already, under current law, effectively exempt \$1.35 million from the tax. To add to that, Congress has already enacted useful expansions of the exemption that have not yet taken effect.

By 2006, individual estates up to \$1 million will be exempt and, therefore, couples will be able to exempt \$2 million in tax. Had those exemptions been in effect in 1997, more than 44 percent of the estates that paid tax—remembering that most of them didn't pay tax in the first place anyway at that point—those still paying tax in 1997 would have been completely exempt.

In 1997, Congress also raised the exemption for family farms and small businesses, the ones that the Senators on the other side of the aisle have cited needing relief. In 1997, we raised the exemption for the family farm and small businesses to \$1.3 million for an individual and \$2.6 million for a couple. Small businesses and farms can also exclude part of the value of real property used in their operations. Those very few businesses and farms that are still subject to tax can pay it in installments over 14 years at below market interest rates.

In 1997, Congress went a long way toward making the estate tax less of a burden. Already in 1997, the super-wealthy were paying most of the estate tax. The wealthiest 1 in 1,000 with estates larger than \$5 million paid half the estate tax that year. That is why the Republican idea—and this is the Republican idea not to cut the estate tax, as they will say when they are giving their example—the Republican idea is to repeal the estate tax completely. That is tilted too heavily to the very wealthy. The Republican estate tax repeal would give the wealthiest 2,400 estates, the ones that now pay half the estate tax, an average tax cut just on the estate tax of \$3.4 million each. Remember, we are talking about a situation where 98 out of 100 people get zero, nothing, from this estate tax cut.

Last month, Forbes magazine estimated that Mr. Bill Gates is personally worth about \$60 billion. If, heaven forbid, Mr. and Mrs. Gates were to pass away and the Republican bill was fully in effect, if they otherwise would have paid the same average effective tax rate that the largest estates paid in 1997, then, believe it or not, this bill would give Bill Gates' heirs alone, just for those people in that family inheriting the money, an \$8.4 billion tax break; \$8.4 billion in revenue that we currently collect would go to this one family.

Think of how hard we worked on this Senate floor in bill after bill to find



savings in deficit reductions that would somehow come together to reach that large figure, \$8.4 billion. Think of how hard we debated programs and tax cuts that cost much less than \$8.4 billion. Is the \$8.4 billion tax cut for the family of Bill Gates the highest and best use of whatever budget surplus we may have? That is why Democrats can eliminate the estate tax for the vast majority of estates at a fraction of the cost.

As I noted, 44 percent of estates that paid tax in 1997 would have been completely exempt from tax if the exemption were raised to \$1 million. Fully 85 percent of the estates would have paid no tax if the exemption had been raised to \$2.5 million.

Senators CONRAD and MOYNIHAN have been working on a proposal that will eliminate the estate tax for most people for whom it would apply today, and to do so for substantially less cost than the majority's bill. I think the Democratic alternative is a good substitute. We ought to pass it. We ought to send it to the President for his signature.

If the majority fails to adopt that reasonable amendment, however, we will have others. One of the reasons I welcome this debate is because I am looking forward to offering an amendment that will try something else, that will simply maintain the estate tax on estates of \$20 million or more. We are talking about estates of \$20 million. We are certainly no longer talking about upper-middle-income families. We are talking about estates of \$20 million. I don't think we are talking anymore about small businesses the way most people understand that term. In 1997, there were only 329 estates in the country that amounted to more than \$20 million. But those 329 estates are worth \$25 billion. We are talking about estates that average \$75 million each. The majority's estate tax bill gives the heirs of estates such as those 329 multimillionaire estates a tax cut that averages \$10.5 million each.

I am looking forward to this debate to see if the majority can at least keep itself from giving this massive tax cut, averaging \$10.5 million each, to the wealthiest 1 in 10,000. We will see.

The point of amendments such as these is that an estate tax for the superwealthy does, in fact, serve some important social purposes. Yes, some sensible reforms are in order to increase the exemption to the estate tax for middle-income Americans, and certainly to address the special needs of small businesses and farmers. But the majority's position is too extreme. We live in a time of an increasing concentration of wealth. Last September, the Wall Street Journal reported in 1997 the Nation's wealthiest 10 percent owned 73 percent of the Nation's net worth. That is up from 68 percent in 1983. With the stock market boom of the 1990s, the wealthiest have done very well, indeed.

Those who hold this great wealth are in a better position to shoulder some of

the costs of our society. An estate tax for the superwealthy makes them help out. It is ironic, just when the very wealthiest are doing as well as they have since the gilded age, the Republicans decide that the very wealthy deserve—and what we most need to do—is another tax break. An estate tax for the superwealthy also serves as a backstop to the income tax, ensuring that some income on which income tax is deferred or avoided is ultimately subject to at least some tax.

For example, because the income tax law steps up the basis of per capita gains on the value of a piece of property at the time of inheritance, no one pays income tax on capital gains that an individual built up on property the individual owns at the time of death, and, therefore, the estate tax provides the worthwhile social purpose, I believe, that the superwealthy have to at least make up for some of that.

I think there is a worthy point that has been debated a little bit in the last hour. An estate tax for the superwealthy does encourage charitable giving as Senator BOXER from California pointed out. A complete repeal of the estate tax would land a devastating blow on colleges, churches, museums, and other charitable institutions that rely on donors to leave gifts. The majority's repeal of the estate could well reduce charitable gifts and bequests by \$6 billion annually.

The majority bill would be immensely expensive. The Joint Committee on Taxation projects that the majority bill would cost \$105 billion over 10 years. Because the bill is phased in slowly over 10 years, its cost would actually explode even more in the second 10 years. When fully phased in, the bill would cost at least \$50 billion a year, or more than \$500 billion a decade. In fact, the Treasury Department says the figure would be about \$750 billion over the decade.

Are tax cuts for the superwealthy the first place that we as a Nation want to spend more than half a trillion or three-quarters of a trillion dollars of the surplus?

Yes, it is true; some of the speakers on the other side have said America's economy is still strong. The Nation is enjoying the longest economic expansion in its history. Unemployment is at lowest in three decades, and home ownership is at the highest rate on record at 67 percent.

Several causes contributed to the current economic expansion, and it cannot be denied that a key contributor to our booming economy has been the Government's fiscal responsibility since 1993. I am very proud of that, as are many Members. The first tough vote I took was to support the President's deficit reduction plan in 1993. It worked, and it worked very well.

This responsible fiscal policy means that the Government has borrowed less from the public than it otherwise would have, and will have paid down \$300 billion in publicly-debt held by Oc-

tober of this year. The Government no longer crowds out private borrowers from the credit market. The Government no longer bids up the price of borrowing—that is, interest rates—to finance its huge debt.

Because of our fiscal responsibility, interest rates are, so far, lower than they otherwise would be. Because of our fiscal responsibility, millions of Americans have saved money on their mortgages, car loans, and student loans. Because of our fiscal responsibility, businesses large and small have found it easier to invest and spur yet more new growth.

Massive tax cuts like the one before us today I think pose the greatest single threat to that responsible fiscal policy, and to the strong economy to which it has contributed. It is no secret and it has been essentially admitted to by the previous speaker, the Senator from Minnesota: The majority intends to pass—in one bill after another—a massive tax cut plan reminiscent of the early 1980s.

The majority leader said as much in a Republican radio address over the recess. After rattling off a series of tax cuts, the majority leader said, "Put all this together and we call it 'First Things First'."

I think it is supremely ironic that the majority leader chose to use those exact words, "first things first," for in so doing, he echoed what President Clinton said in his 1998 State of the Union Address, when he said, "What should we do with this projected surplus? I have a simple four-word answer: Save Social Security first."

That is, after all, what this debate is about: What should come first?

As I and other Democrats have said, and demonstrated by our votes, we support estate tax reform for middle-income Americans, small businesses, and family farmers. But as we debate what "first things" should come first, shouldn't we remember our commitments to Social Security and Medicare?

In the decade of 2011 to 2020, just as the costs of the bill before us today will begin to explode, the baby boom generation will begin to retire in numbers. Social Security's trustees project that, starting in 2015, the cost of Social Security benefits will exceed payroll tax revenues. Under the trustees' projections, this annual cash deficit will continue to grow. By 2037, the Social Security trust fund will have consumed all of its assets. Similarly, by 2025, the Medicare Hospital Insurance Trust Fund will have consumed all of its assets.

I almost hesitate to say this, but when I look at the young people in front of me who work so hard for us every day, they are the ones who will not get their Social Security if we are not responsible, if we do not make sure we put first things first.

According to the trustees, we can fix the Social Security program so that it will remain solvent for 75 years if we

make changes now in either taxes or benefits equivalent to less than 2 percent of our payroll taxes. But if we wait until 2037, we will need to make changes equal to an increase in the payroll tax rate of 5.4 percentage points. We have a choice of small changes now or big changes later.

That is why it makes sense to see to our long-term obligations for Social Security and Medicare before we enact either tax cuts or yes, spending measures that would spend whatever that surplus might be. Before we enter into new obligations, we need to steward the people's resources to meet the commitments we already have.

I will tell you, when I think of Social Security, the generations that come after us, that is commitment No. 1.

Which is putting first things first: saving Social Security and Medicare or cutting estate taxes for the very rich?

As part of updating Medicare for the 21st century, we have to ensure that our elderly have access to lifesaving prescription drugs. Three out of five Medicare beneficiaries make do without dependable prescription drug coverage. We on this side of the aisle believe that it is a priority to create a voluntary Medicare prescription drug benefit that is accessible and affordable for all beneficiaries.

Which is putting first things first: helping provide needed medications for our elderly or cutting estate taxes for the very wealthy?

We on this side of the aisle believe that one of our Nation's most pressing unmet needs is the acute and growing demand for help with long-term care. I have worked on this issue more than any other issue in my 18 years in public office. Our Nation's population is aging: Today, 4 million Americans are over 85 years old. By 2030, more than twice as many—9 million Americans—will be. Already today, 54 million Americans—one in five—live with some kind of disability. One in ten copes with a severe disability. In four out of five cases, a family member serves as that disabled person's primary helper, and, believe me, serves under a heavy burden in doing so. If the majority allows us to offer amendments, I will join with others on this side of the aisle in an amendment that will take some of the money that the majority would use to cut taxes for the superwealthy and use it to help make tax benefits available to these hard-working and financially strapped helpers.

Again, which is putting first things first: helping people to provide long-term care for elderly and disabled family members or cutting estate taxes for the very wealthy?

It seems that more and more these days, we see legislation like that before us today that benefits the very wealthy. At the same time, Senators feel increasing pressure to raise larger and larger sums of money from wealthy contributors. Observers could be forgiven for linking the two phenomena. Observers could reasonably

wonder whether the contact Senators increasingly have with wealthy contributors could perhaps lead Senators increasingly to continually believe that the problems of the very wealthy are the problems to which we must respond first.

The problem has only become worse with the large amounts of soft money being raised to get around the campaign finance laws. As the Supreme Court concluded in its decision this January in *Nixon v. Shrink Missouri Government PAC*: "[T]here is little reason to doubt that sometimes large contributions will work actual corruption of our political system, and no reason to question the existence of a corresponding suspicion among voters."

A number of us believe that it continues to be a matter of great urgency to stop this corrupting influence of soft money in our elections. We feel that in order to get our priorities right, we need to get our house in order. Although it was undeniably a good thing to reform disclosure of contributions by organizations that do business under section 527 of the tax code, as we just did, that is by no means enough. Those of us fighting for campaign finance reform will forego no opportunity to offer an amendment to ban corrupting soft money once and for all.

On that point, as we all know, only the tiniest fraction of the American people will be affected by this tax legislation before us today. But the American people also understand that those wealthy enough to be subject to estate taxes tend to have great political power.

Those wealthy interests are able to make unlimited political contributions, and they are represented in Washington by influential lobbyists that have pushed hard to get this bill to the floor.

The estate tax is one of those issues where political money seems to have an impact on the legislative outcome. That is why I want to quickly call the Bankroll on some of the interests behind this bill, to give my colleagues and the public a sense of the huge amount of money at stake here. I talked about taxes, but now I am talking about political contributions.

Take for instance the National Federation of Independent Business. Repeal of the inheritance tax is one of the federation's top priorities, and the federation is considered one of the most powerful organizations in town.

They have the might of PAC and soft money contributions behind them.

NFIB's PAC has given more than \$441,000 in PAC money through June 1 of this election cycle, according to the Center for Responsive Politics. That is on top of the incredible \$1.2 million in PAC contributions NFIB doled out during the 1997-1998 election cycle.

NFIB has also given soft money during the first 18 months of the current election cycle—just over \$30,000 so far.

Then there is the Food Marketing Institute, which represents super-

markets, and has also made a powerful push to bring this bill to the floor.

Behind that push was the weight of significant PAC and soft money contributions, which I am sure is not a surprise to anybody.

Through June 1st of this election cycle, the Food Marketing Institute has given more than \$241,000 in PAC donations to candidates, after it made more than a half million in PAC donations during the previous cycle.

FMI is also an active soft money donor, with more than \$156,000 in soft money to the parties since the beginning of this cycle through June 1st of this year.

On top of these wealthy associations, there are countless wealthy individuals who want to see the estate tax repealed. They are that tiny fraction of Americans who would benefit by the difference between the Republican approach and the more modest and appropriate Democratic approach.

These folks want an end to the estate tax, and they are also able to give unlimited soft money to the political parties to get their point across.

Then there is the most interesting player in the push to repeal the estate tax—the mystery donors.

That is right, we don't know who is funding one of the major efforts to end the so-called death tax.

We don't know because the group paying for it is one of those secretive 527 groups.

The group is called The Committee for New American Leadership, and was founded, I am told, by former House Speaker Newt Gingrich. The committee, identified in news reports as a 527 "stealth PAC," has been very busy pushing for the repeal of the estate tax, but nobody knows who is footing the bill for those efforts.

As I stand here today, these mystery donors are having a lot to say about what gets debated in the Senate, and we have no way of really knowing who they are, or how much they gave. But thankfully, all of that may be changing.

Thanks to the passage of the 527 disclosure bill, which the President almost immediately signed into law, from here on in we will know a lot more about who is writing the check to the Committee for New American Leadership, and the donors to every other stealth PAC that hid behind a tax loophole to evade public scrutiny.

So, reformers won a victory with passage of the 527 disclosure bill, and we are just getting started. We are going to keep pushing until we address the other gaping loopholes in the campaign finance law that allow wealthy interests spend unlimited amounts of money to push for bills like this one, which serve the interests of the wealthy few at the expense of most Americans.

Mr. President, again, to return to the central question, I ask: Which is putting first things first: ensuring honest elections, or cutting estate taxes for the very wealthy?

The majority shows by proceeding to this bill that it wants to help out those who have benefitted most in the latest economic boom. But the week before last, the business group the Conference Board released a report that said:

Working full-time and year-round is, for more and more Americans, not enough.

The report, called "Does a Rising Tide Lift All Boats?" finds that Americans holding full-time jobs in the 1990s were just as likely to fall into poverty as Americans working full-time in the 1980s, and more likely to fall into poverty than full-time workers were in the 1970s. As *The Wall Street Journal* reported, economists attribute the problem in part to the erosion of the value of the minimum wage, which was in today's dollars worth about \$7 in 1969, compared with the current minimum wage of \$5.15 an hour.

We on this side of the aisle believe that it is a priority to enact an increase in the income of working Americans making the minimum wage. The majority appears to believe that a tax cut for the very wealthy should be addressed first.

So which is putting first things first: enacting a raise for working people making the minimum wage, or cutting estate taxes for the very wealthy?

Even if we chose to confine ourselves strictly to cut taxes, should our highest priority for tax cuts be the very wealthiest 2 percent of the population? The majority shows by proceeding to this bill that it favors tax cuts for the super-wealthy before tax cuts for anyone else.

We on this side of the aisle believe that it is a priority to cut taxes for working families struggling to stay out of poverty—families who have some of the highest marginal tax rates in our tax system. The majority's bill would give tax cuts to fewer than 43,000 upper-income taxpayers a year. In contrast, the President's proposal to expand the Earned Income Tax Credit to reward work and family would provide tax relief for 7 million working families, providing up to \$1,155 in additional tax relief a family.

Among other things, the President's EITC proposal would increase benefits for working families with three or more children. The poverty rate for children in these larger families remains a stunning 29 percent, more than double the poverty rate among children in smaller families. A decade ago, a bipartisan group of Wisconsin State legislators enacted a substantially larger State EITC for families with three or more children, and it has helped to lift thousands of Wisconsin families from poverty.

Which is putting first things first: helping the kids in 7 million working families keep out of poverty, or cutting estate taxes for the children who stand to inherit from the very wealthy?

This Senator believes that it is a priority to simplify taxes and free people from paying income taxes altogether. One way to do this would be to expand

the standard deduction. That would reduce tax liability for millions of working Americans. If the majority ever gives us a chance to offer amendments, I intend to offer such an amendment on tax legislation this year. Right now, 7 in 10 taxpayers take the standard deduction instead of itemizing. Expanding the standard deduction would make it worthwhile for even more Americans to use that easier method and avoid the difficult and cumbersome itemization forms. As well, expanding the standard deduction would free millions of middle-income working Americans from having any income tax liability at all.

So again, which is putting first things first: freeing millions of middle-income Americans from the income tax, or cutting estate taxes for the very wealthy?

Simplifying taxes generally should be a priority. Some have proposed that modest investors in mutual funds should be exempted from filling out the complicated capital gains schedule. Some have suggested streamlining the complicated child credit. Some have proposed further simplifying the Nanny Tax by raising the threshold for filing. These modest steps would relieve millions of middle-income taxpayers from needlessly complex and time-consuming tax forms, but they would also cost money.

So which is putting first things first: simplifying income taxes for millions of middle-income taxpayers, or, again, cutting estate taxes for a few hundred of the very wealthy?

Senators on both sides of the aisle believe that we should repeal the telephone tax for residential users. Pretty much everyone pays the telephone tax. Mr. President, 94 percent of American households have telephone service. And remember, fewer than 2 percent, even under current law, pay the estate tax. If the majority allows us to offer amendments, I will join with others on this side of the aisle in an amendment that will take some of the money that the majority would use to cut taxes for the super-wealthy and use it to repeal the telephone tax for residential users.

Now, the majority also wants to eliminate the telephone tax for businesses, which is just a tax cut for people who own stock in those businesses—not the most progressive of tax cuts—but cutting taxes on residential telephone users is among the more progressive tax cuts that one could imagine this Congress passing. But the schedule betrays the majority's priorities.

Which is putting first things first: repealing a residential telephone tax that nearly everyone pays, or repealing estate taxes that only very wealthiest 2 percent pay?

Senators on both sides of the aisle believe that it is a priority to help working American families to save. The President's proposal last year to encourage retirement savings through what he called USA Accounts made

some sense. Similarly, this year, Vice President GORE's new Retirement Savings Plus accounts—voluntary, tax-free personal savings accounts separate from Social Security but with a Government match—are also a pretty good idea. Both USA Accounts and Retirement Savings Plus would help millions of middle-income Americans to save and build resources for retirement.

So again, when you look at that issue, which is putting first thing first: helping working American families to save, or cutting estate taxes for the very wealthy?

As I said at the outset, this is really a welcome debate. Because the majority's desire to increase tax breaks for the very wealthy paints so stark a contrast to the many ways by which Senators on this side of the aisle really do want to help working Americans.

This is not an example of class warfare. To point out what is going on, that is not what this is at all. In fact, what is class warfare is to maintain taxes on the vast majority of working Americans while cutting taxes only for the very wealthy Americans.

I have taken some time on this occasion to contrast the majority's priorities with those of the American people because the majority leader has made all too clear that he does not intend to allow a fair and full debate of this estate tax bill. I have made this case on the motion to proceed rather than waiting for the bill itself because, if the majority leader follows what has become his regular practice, he will, in all likelihood, file cloture on the bill as soon as we get to it.

Mr. President, I have said this before at much greater length, but I will say it again—others have said it better—this is not how the Senate was meant to work. This is the place where the Government was intended to consider policies fully and fairly.

The majority leader's all-too-rapid resort to cloture deprives Senators from debating priorities such as those I have discussed today, and so many more. That is why I have taken time during this debate on the motion to proceed, which is not where we normally have this sort of debate, to warn, before the majority leader files his cloture motion, against the dangers of invoking cloture on the estate tax bill.

This is a major bill. If enacted, it would take more than half a trillion dollars, maybe three-quarters of a trillion dollars a decade that would otherwise have gone to paying down the debt and put it in the hands of the very few wealthiest members of society. It would be neither fitting nor appropriate to effect the transfer of more than half a trillion dollars without a full and fair debate.

And that is why we must debate this motion fully today. For if there is a remedy for the majority leader's abuse of the cloture process, it is a more rigorous use of the cloture process when it is abused.

New York's Governor Al Smith said in 1933, "All the ills of democracy can

be cured by more democracy." To paraphrase Governor Smith, the cure for not honoring the spirit of the Senate's rules is to honor the Senate's rules to the letter.

Thus, if the majority leader wants all the benefits of the cloture rule, then he will have to bear all the costs of the cloture rule, as well. If the majority leader lays down a cloture motion, he should be prepared to have the full 30 hours of debate on the matter on which the Senate invokes cloture. If the Senate invokes cloture, it should expect to have to remain on the matter on which has invoked cloture.

Let's cut to the chase. The majority is moving to this complete repeal of the estate tax at least in part as a purely political gesture. The Administration has stated in so many words that the President would veto this bill. The majority apparently wants the veto and the issue more than it wants a good law that would eliminate estate taxes for the overwhelming majority of those who pay it.

Such a compromise is available if the majority is willing to take it. The majority need only adopt Senator CONRAD's and Senator MOYNIHAN's substitute, and we can have meaningful estate tax reform this year.

But if the majority does not do so, then we will debate this bill at length and vote on a series of amendments.

Mr. REID. Will the Senator yield for a question?

Mr. FEINGOLD. I will yield.

Mr. REID. I say this in the form of a question because I want to focus on one part of the Senator's speech. I know this is not an easy question to answer because it is coming from somebody I am going to try to compliment and applaud. Does the Senator recognize how appreciative the rest of the Senators are on the Democratic side for his leadership in exposing what is wrong with campaign finance on the Federal level in America? Is the Senator aware of how much we appreciate the work he has done?

Mr. FEINGOLD. I certainly know that the Senator from Nevada talks to me about this issue every chance he gets. I appreciate it. He has been one of the persons who has made it possible for us to raise this issue on the Senate floor. I appreciate the opportunity to occasionally come to the floor and point out, when we are on a particular bill, all the big soft money contributions that are behind some of these bills. It is part of the story that the public needs to know.

Mr. REID. How many people are in the State of Wisconsin?

Mr. FEINGOLD. Over 5 million.

Mr. REID. In the State of Nevada, we have about 2 million people. The last Senate election I was involved in, less than 2 years ago, in the small State of Nevada, in which at that time there weren't 2 million people, the two candidates, the Republican candidate and Democratic candidate, spent over \$20 million. Is the Senator aware of that?

Mr. FEINGOLD. I believe the Senator has shared that with me before, but it is a horrifying number for any State, let alone a State the size of Nevada.

Mr. REID. That doesn't count independent expenditures. No one knows what they are.

Mr. FEINGOLD. We know about some of them, but there are whole categories, such as these 527s, we are not even sure where they came from or exactly how much is being spent.

Mr. REID. Again, I hope the Senator from Wisconsin understands the great contribution he has made to the Senate, to the State of Wisconsin, and the American people for not letting this issue die.

Mr. FEINGOLD. I thank the Senator from Nevada. That kind of encouragement is helpful because it is sometimes a lonely issue. What I have found most effective in talking to people, if you mention the issue of campaign finance reform in general, to use that term, or in the abstract, it is clear to people you are trying to do something that is important. But if you want to make it concrete for them, you have to show the connection between all that money and particular bills coming through here that really don't belong here. This is a great example, the estate tax. The idea that we give this huge tax break to a very few people when there are all these other priorities raises the question in people's minds: Why would elected officials do such a thing? I believe part of the answer is there is just too much money behind this bill.

Mr. REID. I want to ask two additional questions on the Senator's time. First of all, is the Senator aware that this matter now before the Senate has not had 1 minute of hearings in the Senate before the Finance Committee, the committee of jurisdiction?

Mr. FEINGOLD. I was not aware it was quite that bad. I knew it had been very little. It came straight through from the House, as I understand.

Mr. REID. I think in the same breath we mention the Senator from Wisconsin, it is fair to also talk about a real lone ranger, for lack of a better description, on the other side. That is the Senator from Arizona, JOHN MCCAIN, who has stood shoulder to shoulder with the Senator from Wisconsin. He has not had the support of his Republican colleagues as Senator FEINGOLD has had on the Democratic side. Does the Senator from Wisconsin agree that the Senator from Arizona has shown courage not only as a prisoner of war and as a fighter pilot but also his courage on this issue of campaign finance?

Mr. FEINGOLD. All of us who work on the issue with him consider him our commander, in effect. We, of course, are well aware not only of the fact that he worked so hard on this issue for years before his Presidential campaign, but he is also doing a tremendous job of channeling enthusiasm from his campaign into actually getting things done on campaign finance on the floor. That is how the 527s got through.

Thanks to my colleagues from the other side of the aisle, about whom we often have to talk in less than positive terms on the campaign finance issue, almost every one of them supported us at least on that issue. We are hoping that will lead to a momentum to actually ban soft money and go beyond that. I thank the Senator from Nevada for his questions.

To conclude, we will vote on priorities. We will vote on which is putting first things first: paying down the debt to help Social Security and Medicare or cutting taxes for the super-wealthy.

We will afford the majority a number of opportunities to let us know how wealthy one has to be before even the majority considers one super-wealthy. As I said earlier, I am looking forward to offering an amendment that would simply maintain the estate tax on estates of \$20 million or more, and preserve those funds to pay down the debt to help Social Security and Medicare.

But if that amendment should not succeed, then I look forward to offering an amendment that would simply maintain the estate tax on estates of \$100 million or more, and preserve those funds to pay down the debt to help Social Security and Medicare. If the majority does not consider estates of \$20 million to be the super-wealthy, then perhaps they will agree that those worth \$100 million are super-wealthy.

If that amendment should not succeed, then I could have another that would maintain the estate tax on estates of a billion dollars or more, and preserve those funds to pay down the debt to help Social Security and Medicare. If the majority does not consider estates of \$20 million to be the super-wealthy, and does not consider estates of \$100 million to be super-wealthy, then perhaps they will agree that those worth a billion dollars deserve the title "super-wealthy."

Ironically, some will then charge us on this side of the aisle with holding up the estate tax bill. But it is not we, but the majority who are thwarting the enactment of estate tax relief by clinging to their extreme repeal plan.

The choice for the majority is clear: The majority can persist in the political exercise of advancing the extreme bill that we are considering today. Or they can enact fiscally-responsible estate tax reform with overwhelming bipartisan majorities.

The opportunity is theirs to take, or to squander.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I ask unanimous consent that the order of speaking be that Senator SESSIONS be recognized for 15 minutes, Senator KYL for 15 minutes, and following that, Senator MURKOWSKI for 10 minutes. Then we would go to a Democrat at that time. I ask unanimous consent that be the order.

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

Mr. REID. As a matter of parliamentary procedure, I ask the Chair this: I

direct this comment more to the staff through the Chair. Maybe they can find out the leader's intention. Are we going to keep working after 6:30, or are we going to defense? We have a number of speakers lined up. When we learn what is going to happen, we can better arrange the order of speakers.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SESSIONS. Mr. President, I believe it is time for us to quit nibbling around the edges and to eliminate the estate tax on the American people. It is an abysmal tax. It is an unfair tax. It taxes people on money they have already made. They pay taxes on that money. Then, after that, they may invest and buy property. When they die, the tax man reaches in and grabs up to 55 percent of the value of that estate. That is an astounding fact. The Federal Government is taking 55 percent from people for this tax. A majority of the people who have an estate have to go through the estate tax computation. It is an unfair tax.

I believe we ought to reduce taxes across the board. I was a leader and fought hard for the \$500-per-child tax credit for middle-income American families. I think that was one of the finest things we ever did. It provided \$1,500 in extra money—without taxes—for a family of three. That is \$100-plus a month they can spend on their children. I supported equality in making insurance premiums deductible that don't apply to small businesses. We fought for the capital gains tax reduction. People said that was a tax for the rich. When we reduced the capital gains tax, more people were willing to buy, sell, and trade properties, stocks, and other things, and they paid more taxes. Revenues to the Government went up.

We will talk about the marriage penalty. It is absolutely unjustifiable to raise taxes on a couple who are married by \$1,400 a year—\$100 a month for a man and woman who are out working. When they get married, they have to pay more in taxes than if they lived single. It pays a bonus, in effect, for people who get a divorce. That is not the kind of public policy we ought to have. I want us to remember that nearly 70 percent of the American people oppose this estate tax. They know it is unfair and it ought to be eliminated.

I want to share a few insights into this subject, other than discussing the matter in general. I have had the opportunity to meet with people from Alabama—environmental experts—who shared with me that with regard to landowners and timber owners, the estate tax is one of the single most damaging environmental pieces of legislation that exists. They tell me that routinely, people who inherit timber land and property who owe large amounts of taxes have to go out and prematurely clear-cut the timber on the property and sell it to pay the estate tax. When you are talking about a 55-percent tax, what are you going to do if you are the

widow or child of a person who worked and saved all his life and did everything right? You have to sell off the property or cut the timber—every stick of it—to pay the tax man in Washington. That is not good for families and for the environment.

The estate tax hurts farmers. Farmers are particularly property wealthy, but cash poor. They take what they have and plow it back into their land and equipment. When they die, they may have a very large tax burden. Perhaps they are making only a small amount on each acre they farm, but they are making an income from it. But maybe the problem is the land now is next to an interstate and the land now would be good for a motel and they want to value it at \$100,000 an acre. All of a sudden, they are multimillionaires, and the family is hit for \$1 million or \$2 million or \$5 million in taxes.

The farmers in this country are universally opposed to this tax. Every farm organization in my State tells me every time I meet with them, "Eliminate this estate tax, JEFF, whatever you do. That is rotten and we need to get rid of it." That is driving the issue before us today.

This tax savages small business. Every generation of farmers and small businesspeople have a debt. That business or family must absorb the cost of paying the estate tax. No such tax falls on the large, mega corporations, the giant international, multinational corporations. They never die. They never pay this tax. But every generation of small business has to face it. Every generation of farmers has to face it. Is it any wonder why large paper companies can buy up thousands of acres of land that have to be sold off by farming families who can't afford to pay the taxes on it, and then they never pay that tax? This is not a good tax for this country. It is wrong for this country. It punishes middle America, those who have done the right things by saving and accumulating some wealth.

This kills off competition. I know the story of an autoparts company. The family had built up an autoparts dealership. They had maybe as many as 27 stores; they were all about the State. You could see those companies there and they were growing. All of a sudden, the father who owned the company died, and they were faced with a huge tax burden. What could they do? They could borrow millions of dollars to pay the tax man, they could sell off a large part of their stores but lose the advantages of scale that they were gaining by growing and getting competitive with bigger companies, or they could sell out. The company family had to make a decision.

They sold the company to a major national autoparts company, and everybody would recognize their name. That large company would never be faced with that kind of capital crisis as a result of a death. But the smaller companies are. Maybe, just maybe,

that 27-store autoparts company would have continued to be able to grow. Maybe, just maybe, they would not have had to shut down the distribution center in the small town in Alabama, as they did when it sold out to the big corporation. Maybe they could have grown and become a competitor to the major parts company distributing in this country and provided more competition, driving down the price of autoparts for the average American citizen who is out to buy what he needs to fix his automobile, truck, or farm equipment.

I think this thing has to be viewed in the overall context of how it impacts economic growth and competition in this country. I believe we need to make sure that we have not ingrained in our law a tax that reaches down, and when you have a big bush, a big growth of a plant that is growing big, maybe it is a Wal-Mart or Kmart or maybe a Car Quest, and it is getting bigger and bigger, and this little plant grows up and starts competing with it and gets a little sunlight and starts getting bigger, all of a sudden, somebody comes out and cuts the top off of it. That is what the estate tax does; it cuts the top off of small businesses. It savages them and makes them less competitive against the international, multinational, mega corporations. It is an anticompetitive act.

I believe we ought to do something about it. It brings in less than 2 percent of the income to this country. I reject this demagogic attack that because somebody made \$20 million, they are somehow evil and rich and ought to be made to pay a huge amount of tax on that money. Well, it was said the Republicans are for this bill. It is a Republican idea and that is all bad. But in the House, even though those Democratic Representatives were under the most intense pressure from their leadership to hang to the party line, 65 of them rejected the pressure and stood firm and voted to completely eliminate this tax.

I think that shows it is not limited to a Republican idea. It is a broad bipartisan idea that has the overwhelming support of the American people. We only do it on estates of \$20 million or more. I want to talk about that directly.

They say: Well, for an estate of \$75 million, we ought to have no sympathy for them. We ought not to feel any concern that the tax man takes 55 percent of it. What is 55 percent of \$75 million? It is \$40 million. Who says it is fair to take \$40 million of an estate that somebody has worked all of their life to build up with after-tax money, and you are just going to rip it out and send it to Washington? I don't believe that is just.

Again, those are the kinds of companies and businesses that are getting competitive. They have the ability to compete in the marketplace. If we savage them, we are knocking down small industries and businesses that might be

competitive against the established order.

I think it is healthy for America to have growing companies worth \$100 million or \$150 million. I see no need to attack them when we don't attack Wal-Mart, Kmart, or GM, and Nestle's, and those kinds of companies.

Now we hear this talk about Social Security. Oh, yes, if we vote to eliminate the estate tax, we are going to oppose Social Security.

Let me tell you that we are going to protect Social Security. We are not going to allow Social Security to fail. We support it on this side of the aisle. We fought aggressively for a lockbox to lock up any Social Security surplus and guarantee it would not be spent by the big spenders that are here. The Democrats across the aisle opposed it and would not allow us to pass that bill. We set it aside anyway. But we don't have the protection to do it year after year as we would if we had passed a lockbox.

Why wouldn't they support that, if they like Social Security so much? The reason is they want more money to spend, spend, spend. That is the mentality—spend, spend, spend; ask for more votes for the people to whom you give money, and keep them in power year after year. By the way, we know more in Washington how to spend your money than you do.

Make no mistake, this is a classic case of taxes and who has the power. You give more money to the Federal Government and have less for yourself. Then the Government is empowered and you are diminished.

We ought to ask ourselves: How is it that the percentage of the total gross domestic product that goes to the Federal Government since President Clinton took over in 1992 has gone from 17.9 percent to 20.7 percent, higher than at the peak of World War II?

To say we can't conduct our business, take care of the needs of this country, and keep that tax rate from rising every year and the rising percentage of money going every year to Washington is a mistake. It is a fundamental choice that we as Americans have to make. Will we continue to allow the erosion of the independence, freedom, and autonomy of individual American citizens to be eroded in favor of a bloated and growing political Washington establishment?

Those are the choices we are dealing with. We ought to eliminate bad taxes. This estate tax is one of the worst. It costs an incredible amount for the Federal Government to collect. It costs an incredible amount for the families who have to go through the estate tax process to have to try to figure out ways to create trusts and so forth to minimize it. It is extremely painful to families. It brings in less than 2 percent of our national budget. Let's get rid of the tax. Let's not keep it anymore. Let us reject this cause that we are going to eliminate it for some but we are going to keep it on these other groups that

make \$20 million because they are evil, and we can take 55 percent of their money; that is all right. I don't believe that is a legitimate principle on which to operate.

I believe the tax rate ought to be fair. We have increased our Federal maximum tax rate on the wealthy now to 39 percent of what they make. That is a high amount—39 percent of everything somebody makes at the margin. Why do we now need to reach into the grave and take out what they have accumulated after paying those taxes?

I think we are going to eliminate this tax sooner or later. The American people support it overwhelmingly. The farmers and the small business groups support the elimination. So do the American people.

I would like to express my appreciation to Senator JON KYL for his leadership in consistently, effectively, and brilliantly promoting this legislation from the beginning.

We are at a point where we are going to bring it up for a vote. We had to have cloture to get it here. I appreciate that the majority leader has favored that. I look forward to hearing the Senator from Arizona's remarks at this time.

The PRESIDING OFFICER (Mr. SMITH of Oregon). The Senator from Arizona is recognized.

Mr. KYL. Thank you, Mr. President. I thank the Senator from Alabama for his kind remarks.

Mr. President, I heard some astonishing claims this morning and somewhat this afternoon. I would like to try to respond to some of the things that have been said by some of our friends on the other side of the aisle.

Let me, first of all, note for those who might be watching this that the primary object of those on the minority side is to stop us from having a vote on the repeal of the death tax. That is the last thing in the world they want. That is why they are trying to confuse the issue by suggesting that they want to offer all kinds of amendments that have nothing whatsoever to do with the death tax in order to prevent us from ever getting to a vote on the death tax.

When we keep talking about cloture, I will explain to those who aren't familiar with Senate terms that it is required because the distinguished minority leader will not reach an agreement with the majority leader on the terms under which we could bring this up for a vote. So we have to get 60 Senators who will agree to finally bring this matter to a close so we can actually have a vote. That will be a very important vote. Whether or not we get 60 votes, we don't know. But I am counting on a great deal of bipartisan support because we have bipartisan support in the House of Representatives which voted overwhelmingly for H.R. 8, which is the bill before us. There are nine Democratic sponsors of the Kyl-Kerrey bill, which is part of H.R. 8. That is the bill we introduced

to repeal the death tax which was then incorporated in the House bill.

Just a quick reminder that the House bill and what we are debating here today will reduce the rates over a 10-year period and in the tenth year repeal the estate tax altogether by, in effect, replacing it with a capital gains tax. That is one of the points I will get to later. We are not forgoing all of this revenue, as people on the other side of the aisle have argued.

Actually, the taxes that will be collected when property is eventually sold and taxed under capital gains is just about the same amount that would be collected under the death tax. Anyway, chances are there won't be much revenue lost, even if that is a concern in this era of many hundred-billion-dollar surpluses. I want to start with those particular comments.

As I said, I was astonished by some of the claims made here. Let me mention two:

One by the Senator from North Dakota, Mr. DORGAN, who in effect said that the estate tax should be imposed on successful people as the price for the privilege of living in America and making a lot of money.

That turns the American dream on its head. The American dream, as I understand it, and as folks with whom I have talked in Arizona understand, is being able to work hard, to save, to invest, and to be able to create a situation where the next generation can have a little better opportunity than you had. That is the American dream. We all live for that, for our kids and our grandkids. It is exactly the opposite as expressed by some on the other side—that if you are successful, by golly, the Government is going to come in and take it all from you. No, excuse me—take half it from you when you die. First, they are not taking it from you. They are taking from your employees, from your kids, and from your grandkids. That is not fair. That is not the American dream.

The Senator from California, Mrs. BOXER, employing some of the new Gore rhetoric, said it all boils down to a question of, Whose side are you on? Well, I will accept that challenge. Whose side are we on here?

Mr. President, I have a list of about 100 different organizations that strongly favor the repeal of the estate tax. I ask unanimous consent that this list be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

#### FAMILY BUSINESS ESTATE TAX COALITION MEMBERS

Air Conditioning Contractors of America.  
Akin, Gump, Strauss, Hauer & Feld, LLP.  
American Alliance of Family Business.  
American Bakers Association.  
American Consulting Engineers Council.  
American Dental Association.  
American Family Business Institute.  
American Farm Bureau Federation.  
American Forest & Paper Association.  
American Horse Council.  
American Hotel and Motel Association.

American Institute of Certified Public Accountants.  
 American International Automobile Dealers Association.  
 American Sheep Industry Association.  
 American Soybean Association.  
 American Supply Association and American Warehouse Association.  
 American Trucking Association.  
 American Vintners Association.  
 American Wholesale Marketers Association.  
 The Association For Manufacturing Technology.  
 Amway Corporation.  
 Arnold & Porter.  
 Associated Builders and Contractors.  
 Associated Equipment Distributors.  
 Associated Equipment Distributors.  
 Associated Specialty Contractors.  
 Boland & Madigan, Inc.  
 Building Service Contractors Association International.  
 Chwat and Company, Inc.  
 Clark & Weinstock.  
 Collier, Shannon, Rill & Scott.  
 Communicating for Agriculture.  
 Davis & Harman.  
 Duffy Wall & Associates.  
 Families Against Confiscatory Estate & Inheritance Taxes.  
 Farm Credit Council.  
 Florists' Transworld Delivery Association.  
 Food Distributors International.  
 Food Marketing Institute.  
 Forest Industries Council on Taxation.  
 Guest & Associates, LLC.  
 Hallmark Cards, Inc.  
 Hogan & Hartsen.  
 12AAK Walton League.  
 Wildlife Society.  
 Quail Unlimited.  
 Wildlife Management Institute.  
 International Association of Fish & Wildlife Agencies.  
 Hooper, Hooper, Owen & Gould.  
 Independent Bakers Association.  
 Independent Bankers Association of America.  
 Independent Forest Product Association.  
 Independent Insurance Agents of America.  
 Independent Petroleum Association of America.  
 Institute of Certified Financial Planners.  
 International Council of Shopping Centers.  
 International Warehouse Logistics Association.  
 Lake States Lumber Association.  
 Land Trust Alliance.  
 Marine Retailers Association of America.  
 McKeivitt & Schneier.  
 Miller & Chevalier.  
 Mullenholtz & Brimsek.  
 National Association of Plumbing-Heating-Cooling Contractors.  
 National Association of Conveniences Stores.  
 National Association of Realtors.  
 National Association of Wheat Growers.  
 National Association of Manufacturers.  
 National Association of Wheat Growers.  
 National Association of Music Merchants.  
 National Association of Wholesaler-Distributors.  
 National Association of State Departments of Agriculture.  
 National Association of Temporary and Staffing Services.  
 National Association of the Remodeling Industry.  
 National Association of Home Builders of the United States.  
 National Association of Beverage Retailers.  
 National Automatic Merchandising Association.  
 National Automobile Dealers Association.  
 National Beer Wholesalers Association.

National Cattlemen's Beef Association.  
 National Corn Growers Association.  
 National Cotton Council of America.  
 National Council of Farm Cooperatives.  
 National Electrical Contractors Association.  
 National Electrical Contractors Association Incorporated.  
 National Farmers Union.  
 National Federation of Independent Business.  
 National Funeral of Independent Business.  
 National Funeral Directors Association.  
 National Grange.  
 National Grocers Association.  
 National Hardwood Lumber Association.  
 National Licensed Beverage Association.  
 National Marine Manufacturers Association.  
 National Milk Producers Federation.  
 National Newspaper Association.  
 National Pork Producers Council.  
 National Precast Concrete Association.  
 National Restaurant Association.  
 National Retail Federation.  
 National Roofing Contractors Association.  
 National Rural Electric Cooperative Association.  
 National Small Business United.  
 National Telephone Cooperative Association.  
 National Tooling & Machining Association.  
 Neece, Cator, McGahey & Associates.  
 Newsletter Publishers Association.  
 Newspaper Association of America.  
 North American Equipment Dealers Association.  
 Northwest Woodland Owners Council.  
 O'Brien Calio.  
 Patton Boggs, LLP.  
 Petroleum Marketers Association of America.  
 Printing Industries of America.  
 Rae Evans & Associates.  
 Reed, Smith, Shaw & McClay.  
 Safeguard America's Family Enterprises.  
 Sheet Metal and Air Conditioning Contractor's National Association.  
 Small Business Legislative Council.  
 Southeastern Lumber Manufacturers Association.  
 Steptoe and Johnson.  
 Sullivan & Cromwell.  
 Tax Foundation, Inc.  
 Texas and Southwestern Cattle Raisers Association.  
 The Associated General Contractors of America.  
 The Employee Stock Ownership Plan Association.  
 The Heritage Foundation.  
 The Jefferson Group, Inc.  
 The Society of American Florists.  
 Tire Association of North America.  
 U.S. Apple Association.  
 U.S. Business & Industrial Council.  
 U.S. Chamber of Commerce.  
 U.S. Telephone Association.  
 United Fresh Fruits and Vegetable Association.  
 United States Business and Industrial Council.  
 Washington Council, P.C.  
 Wine and Spirits Wholesalers.  
 Wine and Spirits Wholesalers of America.  
 Wine Institute.  
 Harry C. Alford, Jr., President & CEO, National Black Chamber of Commerce.  
 Peter Homer, President & CEO, National Indian Business Association.  
 Ricardo C. Byrd, Executive Director, National Association of Neighborhoods.  
 John White, President, Texas Conference of Black Mayors.  
 U.S. Hispanic Chamber of Commerce.

Mr. KYL. I will not read the entire list. It includes not only organizations

that we are familiar with such as the American Farmer Bureau Federation, the National Federation of Independent Business, the National Newspapers Association, the Small Business Legislative Council, and groups similar to that. It also includes groups such as the National Black Chamber of Commerce, the National Indian Business Association, the National Association of Neighborhoods, U.S. Hispanic Chamber of Commerce, the Texas Conference of Black Mayors. Also, environmental organizations such as the Wildlife Society, the Isaak Walton League, Wildlife Management Institute, International Association of Fish and Wildlife Agencies, and more.

Whose side are you on? We are on the side of the American people who believe, by percentages of 70 to 80 percent, the death tax ought to be repealed. That is whose side we are on. If we could ask the American people, 70 percent to 80 percent of whom believe this ought to be repealed, how do they vote, they vote to repeal it. That is whose side we are on.

The second point was, we should soak the rich; after all, they can afford it. There was a suggestion by Senator FEINGOLD a moment ago that, after all, this property never gets taxed unless we can tax it at the time of death. That is not what this bill says. We replace the death tax with the capital gains tax. Death is taken out of the equation. There is no tax when someone dies. But when the heirs decide to sell the property, if they ever do, they pay a capital gains tax, as the original owner would. They pay it on the basis of the original owner's cost in that.

This is why, according to the President's own budget, the Analytical Perspective of the Budget of the United States, for this next fiscal year, notes that the step-up basis of capital gains on at death—the current law—in effect costs the Federal Government almost \$153 billion over a 5-year period. That is about the tax collections from the inheritance tax.

While I am not suggesting this is going to be a complete wash, I am suggesting there is not going to be all that much revenue lost to the Treasury, if you are concerned about that and with multihundreds of billions of dollars of surplus. I am not concerned about revenue to the Treasury. If that is your concern, be not concerned. According to the President's own budget, the step-up in basis loses the Federal Government about \$153 billion. If you calculate the amount of the estate tax that will be collected over 5 years, it is not a great deal more than that.

What is this business of step-up in basis? Senator FEINGOLD said this property is never taxed and that is why we have to have a death tax. It is taxed. First, your income is taxed. You are then going to buy things with it. You buy stock; you will invest in other kinds of investment. Of course, you spend a great deal of it. Whatever you spend, you are spending with after-tax



dollars. It has already been taxed. However, if you want to tax it again, the fair way to tax it again is not at death, over which the decedent has no control, but rather as a capital gain by the individual or people who end up selling the asset, if and when they sell. That is an economic decision taking tax consequences into account. That is what we do here.

I am afraid some on the other side have not read the bill. What it does is, in effect, replace the estate tax with a capital gains tax. But a 20-percent capital gains rate is a whole lot better than a 55-percent death tax rate. The voluntary decision to sell the property and accept that tax burden is a whole lot more fair than having to pay the tax at death. This is not property that is not being taxed and, in fact, it is taxed as a result of the way we have structured this legislation.

Let me make another point about soaking the rich. It is simply not the case that it is the wealthiest estates that are paying most of the estate tax. I ask unanimous consent that an op-ed piece by Bruce Bartlett, appearing in the Washington Times, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Times, June 19, 2000]

THE REAL RAP ON DEATH AND TAXES

(By Bruce Bartlett)

On June 9, the U.S. House of Representatives voted to abolish the estate and gift tax in the year 2010. Predictably, liberals denounced the action in the strongest possible terms. Bill Clinton called it "costly, irresponsible and regressive." The New York Times said, "Seldom have so many voted for a gargantuan tax cut for so few." Robert McIntyre of the far-left Citizens for Tax Justice told CBS News that supporters of repeal have done nothing but lie about their plan, which he views as nothing but a giveaway to the ultrawealthy.

The truth is that the burden of the estate tax falls primarily on modest estates, not those of the Bill Gates and Warren Buffets of the world. The latest data from the Internal Revenue Service tell the story. In 1997, more than 50 percent of all estate and gift taxes were collected from estates under \$5 million. Only 20 percent came from the very wealthy, those with estates of more than \$20 million.

Furthermore, the effective tax rate (net tax as a share of gross estate) is significantly higher for estates between \$5 million and \$20 million than on those of more than \$20 million. An estate between \$2.5 million and \$5 million actually pays a higher rate than that paid by estates of more than \$20 million—15 percent for the former and 11.8 percent for the latter.

How can this be the case when estate tax rates are steeply progressive, taxing estates of more than \$3 million at a 55 percent rate? The answer is that estate planning can eliminate the tax if someone wants to spend sufficient time and money setting up trusts and organizing one's affairs for that purpose. Those with great wealth are far more likely to engage in estate planning than a farmer, small businessman or someone with a modest stock portfolio. Hence, the heaviest burden of the estate tax falls not on the very wealthy, but the slightly well-to-do.

The government gets more than two-thirds of all estate tax revenue from estates under

\$10 million. The idea that taxing the stuffing out of such estates does anything to equalize the distribution of wealth in America is ludicrous. All it does is prevent those with modest assets from becoming wealthy. Academic research has shown that estate taxes squeeze vital liquidity out of small businesses, often forcing them to sell out to larger competitors. Thus the estate tax makes it more difficult for small firms to grow and become large.

Of course, the same people who support high estate taxes also support aggressive use of the antitrust laws to break up big businesses like Microsoft because they lack competition. Yet the estate tax destroys many potential competitors in their cribs, before they are strong enough to challenge entrenched corporate elites.

One could, perhaps, make a case for a heavy estate tax if there were evidence a large share of the nation's wealthiest families got that way through inheritances. But this, in fact, is not the case in America and never has been. A 1961 study by the Brookings Institution found that only 6 percent of the wealthy acquired most of their assets through inheritance. Sixty-two percent reported no inheritances whatsoever.

A 1995 study by the Rand Corp. got similar results. It found that among the top 5 percent of households, ranked by wealth, inheritances accounted for just 8 percent of assets. A 1998 study by U.S. Trust Corp. found that among the wealthiest 1 percent of Americans, inheritances were a significant source of wealth for just 10 percent of them.

The truth is that most of the wealthy in America—even the billionaires—made it themselves. They weren't born with silver spoons in their mouths, living off the industry of their parents or grandparents. Most of the very wealthy got that way because they started businesses and took enormous risks that paid off. According to the latest Forbes 400 list of America's wealthiest people, 251 were self-made.

And among the modestly wealthy, with fortunes in the low seven digits, many got that way simply because they saved and invested for retirement the way all financial advisers say people should. The T. Rowe Price website, for example, advises that people need \$20 in saving for every \$1 they will need in retirement over and above Social Security. This means that to have \$50,000 per year in retirement income a couple will need \$1 million in assets.

It simply defies logic to tell people they need to save for retirement and then punish them for doing so by threatening to confiscate their estates after death. And it is absurd to tell such people they are the unworthy rich, who merely won life's lottery, when every penny they have come from their own hard work and investment. Yet that is what those fighting estate tax repeal are doing.

If it were only the very wealthy supporting estate tax repeal, there is no way estate tax repeal would have garnered 279 votes, including 65 Democrats. It is precisely because the estate tax is more of a tax on the middle class than the left believes it to be that the repeal effort has gotten so far. It is not Bill Gates and Warren Buffet out there pushing for repeal, but ordinary Americans who just don't want the Internal Revenue Service to be their estate's primary beneficiary.

Mr. KYL. I will read from part of this piece. He is a senior fellow with the National Center for Policy Analysis.

The latest data from the Internal Revenue Service tells the story. In 1997, more than 50 percent of all estate and gift taxes were collected from estates under \$5 million. Only 20 percent came from the very wealthy—those with estates more than \$20 million.

He goes on:

An estate between \$2.5 million and \$5 million actually pays a higher rate than that paid by estates of more than \$20 million—15 percent for the former and only 11.8 for the latter.

How can this be, he asks, when estate tax rates are steeply progressive, taxing estates of more than \$3 million at a 55-percent rate? The answer is, that estate planning can eliminate the tax if someone wants to spend enough money and enough time in setting up trusts and organizing one's affairs for that purpose.

Those with more wealth obviously take advantage of that, whereas the small farmer, the small businessman or someone with a modest stock portfolio is not going to do it, and, in fact, doesn't, according to the statistics. The Government gets more than two-thirds of all estate tax revenue from the estates under \$10 million. The idea that taxing the stuffing out of such estates does anything to equalize the distribution of wealth in America, he says, is ludicrous. All it does is prevent those with modest assets from becoming wealthy. Academic research has shown that estate taxes squeeze vital liquidity out of small businesses, often forcing them to sell out to larger competitors.

I told the story earlier in this debate about a family in Arizona in which that is precisely what happened.

Thus, he concludes, the estate tax makes it more difficult for small firms to grow and become large.

He makes another point:

One could, perhaps, make a case for a heavy estate tax if there were evidence that a large share of the nation's wealthiest families got that way through inheritances. But this, in fact, is not the case in America and never has been. A 1961 study by the Brookings Institution found that only 6 percent of the wealthy acquired most of their assets through inheritance. Sixty-two percent reported no inheritance whatsoever.

A 1995 study by the Rand Corp. got similar results. They found among the top 5 percent of households, ranked by wealth, inheritance accounted for just 8 percent of assets. A 1998 study by U.S. Trust Corp. found among the wealthiest 1 percent of Americans' inheritances were a significant source of wealth for just 10 percent of them.

He concludes his piece with this:

It simply defies logic to tell people they need to save for retirement and then punish them for doing so by threatening to confiscate their estates after death. It is absurd to tell such people that they are the unworthy rich who merely won life's lottery, when every penny they have come from their own hard work and investment. Yet that is what those fighting estate tax repeal are doing.

It is precisely because the estate tax is more of a tax on the middle-class that the left believes it to be that the repeal effort has gotten so far.

It seems to me, that the argument we have to keep this because it is important to soak the rich flies in the face of the studies I have cited. It is not the rich, in fact, who are getting soaked.

There has also been a suggestion, and Senator DORGAN made the point, there

are all kinds of ideas for how to spend the money collected by this tax. I am sure those who like to tax and spend, who like to redistribute wealth, who believe in the liberal class warfare rhetoric, will find lots of ways to spend money. As I pointed out, we already have a huge surplus. This doesn't even make a dent in it.

Their argument is, therefore, we ought to be voting on other issues rather than voting on this. One of them was we should vote on the Patients' Bill of Rights. We already voted on the Patients' Bill of Rights. The other side lost. They don't like to accept the fact they lost, but it is called accept majority rule. That is what democracy is all about.

They also want to vote on drug benefits. We are going to have votes on drug benefits.

Everybody in America understands that you do things in order. The House passed the estate tax repeal. It is now before the Senate. Let's get it done and then we can take up that other legislation the other side wants to take up. It will be taken up. Let's do this now.

What is the reason not to? It all boils down to politics. That is the unfortunate proposition.

There is another point I find very interesting.

THE PRESIDING OFFICER. The Senator has 2 minutes remaining.

Mr. KYL. Mr. President, I will make this point briefly. One of the alternatives suggested by the other side is to increase the amount of the exemption. The problem with that is there has never been a way to define who qualifies for the exemption in a simple enough way for it to be effective. In fact, we have a lot of tax experts who point out that few people are able to take advantage of the exemption today because it is just too difficult with which to comply.

In fact, the American Bar Association condemned it because it, in effect, created too much malpractice risk for lawyers who could not figure out how to make it work for their clients. It is considered the most dangerous section of the tax law because of the risk of malpractice claims.

I point out that currently there are 149 tax cases that have been decided and reported involving issues relating to section 2032A. The IRS has challenged the validity of section 2032A in estate planning, and the IRS has won approximately two-thirds of those cases.

Now section 2057, the successor, is the most dangerous and, if changed as suggested here, is going to be even worse, but it will, of course, create billions of dollars in legal and accounting fees. That is not what we should be all about, Mr. President. We should be about saving money for those who would no longer have to spend all of these millions of dollars to plan against the possibility of the estate tax. That is a huge amount of money that could be saved, about as much as

is paid in estate taxes, by the way, and we can get back to a situation which is fair; namely, there will be a tax, but it will be a tax when the property is sold, not when the death occurs.

That is the basic fairness of this proposition. That is why I urge my colleagues to vote for cloture so we can vote for H.R. 8 and repeal this unfair death tax.

THE PRESIDING OFFICER. Under the previous order, the Senator from Alaska is recognized for 10 minutes.

Mr. MURKOWSKI. Mr. President, I compliment my friend from Arizona for his forthright address on this very important subject that certainly needs to be resolved by this body.

As we continue the debate on repealing the death tax, there is a fundamental question to which we all must respond: Should the Federal Government have the right to confiscate as much as 60 percent of the assets that an individual or family business has built over a lifetime?

That is what this debate is all about, not the class warfare arguments we have heard from the other side, to a degree.

In my view, whether the estate tax is 60 percent or 40 percent or 20 percent, the estate tax is morally indefensible. It causes businesses that have been developed over a lifetime of hard work and sacrifice to be broken up just so Uncle Sam can take what some think is the Government's rightful share of that business.

I ask another question: Why do we have an estate tax? It may be interesting to go into the background. The reason is quite simple. Up until 1913, the Federal Government was primarily financed by tariffs. Estate taxes were periodically imposed to primarily finance wars or the threat of a war. For example, to finance the Spanish-American War, the Federal Government imposed a temporary estate tax in 1898. It was repealed in 1902. With the advent of World War I and the drop in tariff revenue, Congress adopted an estate tax with rates ranging from 1 percent to 10 percent.

What must be recognized about the estate taxes adopted in the 19th and early 20th centuries is the simple fact that there were no Federal income taxes to finance the Federal Government at that time. So the Government looked at estate taxes. As a result, all of the wealth that accumulated in estates had never before been taxed.

By contrast, when an individual dies today, his or her estate consists of assets that have been built with aftertax money. The elderly woman who dies with several hundred thousand dollars worth of Treasury notes in her estate has paid Federal income taxes every single year on those notes. The businesses that have been built up over a lifetime have paid income taxes and, in many cases, have paid corporate taxes to the Federal Government. Why, after accumulating wealth and having paid income taxes on that wealth, does the

Federal Government have the right to confiscate that wealth? I do not think it has that right.

While I believe this is a moral question, I also look at the realities of estate planning and conclude that when confronted with an unfair and confiscatory tax system, Americans overwhelmingly reject the idea that the Government has such a right.

With proper estate planning, it is clear that many Americans can structure their affairs in such a way that they can entirely avoid paying any estate taxes. In fact, of the estates valued at more than \$600,000, more than half, or 55 percent, paid not a single dollar in estate taxes. Of the richest Americans, those with estates valued over \$20 million, nearly one-third paid no estate tax.

It seems to this Senator that the estate tax has become a bonanza for estate planners and tax accountants and an unfair and onerous burden to the small businesses and farmers of America who do not have the resources nor the time to take advantage of sophisticated estate planning schemes. As a result, more than 60 percent of the burden of the estate tax falls on estates valued at \$5 million or less.

As my colleagues know, the primary asset in many of these smaller estates is the family business, whether a small retail or wholesale operation or a family farm. When it comes time to pay the estate tax, many of these family businesses are forced to liquidate a portion of the business or even, in some cases, the businesses themselves; or sell the farm to basically pay the taxes. That is unconscionable especially when it has taken decades to build a business.

The ability to pass on the assets that have been built up over a generation to another generation is made unrealistic by the tax burden associated with the estate tax and, in the case of those who have not been fortunate enough to do estate planning, many of these people feel they have been unjustly penalized by their Government, and I agree with them. When it comes time to pay the estate tax, many of these family businesses, as I have indicated, are forced to liquidate.

The other option for many of these businesses is to saddle a business with a large debt to pay the tax. This only heightens the cash-flow problems that many small businesses confront as a matter of everyday activity.

Of course, when sophisticated estate planning is available, many of these small business estate problems would undoubtedly go away, but then we as policymakers should ask ourselves: What is the sense in constructing a tax that primarily produces a livelihood to those who can advise others on how to avoid the tax?

I will repeat that because I think it bears a little reflection. We as policymakers really must ask ourselves: What is the sense in constructing a tax that primarily provides a livelihood to

those who can advise others on how to avoid the tax? It is a bit ironic.

The time for the death tax has passed. I hope we will not see a filibuster of this measure that will help maintain the growth and development of our dynamic economy and protect the small businesses that are the backbone of our Nation.

Seeing no other Senator seeking recognition, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DURBIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. DURBIN. Mr. President, I understand under the previous agreement that I have up to 1 hour in debate at this point?

The PRESIDING OFFICER. The Senator is correct.

Mr. DURBIN. Mr. President, for those who are following the Senate proceedings, they are probably aware of the fact that we are involved in something called a motion to proceed, which is basically an introduction or a leadup to a debate on an issue.

We are proceeding to an issue on the question of the estate tax. The estate tax has been around, I think, since President Theodore Roosevelt in the last century. It is a source of revenue for the Federal Government that is imposed on the estates of some people after they pass away.

It is the position of the Republican majority that when you come to reforming the Tax Code of America, the first and highest priority is to deal with the estate tax. The basis for that statement on my part is the fact that it is the first matter of any consequence in terms of its cost that is being brought to the floor of the Senate by the Republican leadership.

So they believe, looking at the Tax Code—that affects literally every American, every individual, every family, every business—and searching out an inequity in it, that the estate tax is the source of an inequity, an unfairness, and it should be the first thing that we address if we are going to reform the Tax Code.

That is an interesting observation because when you consider how many Americans are affected by the estate tax, it turns out that they are literally very few in number.

In 1997, the estates of fewer than 43,000 people in America had to pay any Federal estate tax. That is 43,000 people out of 2.3 million who passed away in that year. So less than 2 percent—1.9 percent—of the estates of those passing away in the year 1997 had any obligation to pay the Federal estate tax—43,000 people.

What the Republicans have suggested as a way to eliminate this estate tax is to take money out of our anticipated

surplus in the budget to make sure that those 43,000 in the future will not have to pay any estate tax.

What does this cost us out of the surplus? In the first 10 years or so, the estimates are somewhere in the \$100–\$150 billion range. But in the next 10-year period of time, it grows dramatically, and the cost of this tax relief for literally 1.9 percent of the people who die in a given year is some \$750 billion.

Mr. LOTT. Mr. President, will the Senator yield?

Mr. DURBIN. I am happy to yield to the majority leader.

Mr. LOTT. I apologize for the interruption, but I was going to make an inquiry about the time schedule. I heard the Senator indicate he had 1 hour under an agreement. Are there other time agreements that have been entered into on each side?

Under the rule, you can get up to an hour. So we never got a time limitation?

Then, also, I believe earlier we had indicated we would go to the Department of Defense authorization bill tonight between 6:30 but not later than 7 o'clock. Has there been any agreement with regard to that?

The PRESIDING OFFICER. The Chair is not aware of one.

Mr. LOTT. I thank the Senator for yielding so that I could get some feel for the time. I will discuss it with the leadership on the other side. I still hope that while we have had debate on both sides today, for the most part on the death tax issue, we would still be able to keep our verbal commitment to Senator WARNER and Senator LEVIN that not later than 7 o'clock tonight we will go to the DOD authorization bill and see if we can make some progress on that.

Again, I appreciate the Senator for allowing me to interrupt him to get a clarification on that. I thank the Senator.

Mr. DURBIN. Mr. President, I was happy to yield to the majority leader to clarify the procedure.

Back to the point I was making. We are dealing with an estate tax that affects very few Americans—people in higher income categories. The decision has been made by the Republican leadership in the House of Representatives and the Senate that if we are going to change the Tax Code as it affects any American, any individual, any family, any business, the first and highest—obviously one of the most expensive—priority is to eliminate this estate tax.

I find that curious because I think if you went to the American people and said to them: When it comes to the taxes that you are likely to pay in your life and those that you believe are particularly unfair, would you believe that the estate tax ranks high on that list? It is not likely they would. They may object to taxes in general. They may object to this tax in particular. But the likelihood that the average American, even one who has done pretty well in life, is going to end up pay-

ing the Federal estate tax is minimal. Less than 2 percent of those who die each year pay the tax. If a spouse dies and leaves all the property to another spouse, there is no taxable event—no Federal estate tax is paid.

When you consider the fact that 98 out of every 100 people who die each year face no Federal estate tax, the obvious question is, Why is this the highest priority when it comes to the Republican agenda for tax reform? Wouldn't you think it would be a tax that would help out a lot more people than, say, 43,000 in 1997, some of the wealthiest people in our country? Wouldn't you think it might be a tax that affects the payroll tax that hundreds of thousands of workers pay each week? Or taxes that businesses pay? Or changing our Tax Code so a businessman can offer health insurance to his employee, for example? No, it is not. It turns out, when they drew up their list of priorities, the Republican leadership came to the conclusion that the most important group to single out for assistance would be the wealthiest among us, with this estate tax.

I might tell you, this is not a cheap, inexpensive undertaking. To think we are going to spend some \$750 billion for this estate tax reform that is being asked for by the Republican side means, frankly, that money will not be there to be spent for other purposes, which is the reason I am on the floor tonight to discuss this estate tax in the context of choices that are to be made, decisions that are to be made. When the Republicans drew up the line of Americans who needed help the most, they put in the front of the line, in the first place in the line, the wealthiest in our country. That is not new. That is what George W. Bush has proposed when it comes to tax cuts: First help the wealthiest. When it comes to their agenda on the floor of the Senate, the Republican leadership has said: Before you do anything else, help the wealthiest people in our society.

Frankly, I come to this argument with a different perspective. I believe our obligation is to the entire Nation, not only to those who are financially articulate; those who are the largest contributors; those who have made the most of their lives by making the most of their income. It appears that I see this somewhat differently than those who are on the Republican side of the aisle.

Let me concede at the outset that the estate tax should be changed. The estate tax, as it is currently written, has not kept pace with reality. We have not increased the exemption under that estate tax as we should have, and we on the Democratic side are going to propose, as part of a reform of the estate tax, something I think will be of great assistance to the vast majority of families who are barely qualifying to pay an estate tax.

This is what we are going to propose on the Democratic side. We are going to increase the general exemption from

\$1.35 million per couple to \$2 million per couple by 2002, and \$4 million by 2010. That means that by 2010, if your estate is worth \$4 million, you will not pay a penny in Federal estate tax. How many people will be eliminated from Federal estate tax liability because of the Democratic proposal? Two-thirds of the estates currently subject to tax would not be subject. So we are really taking those who are on the lower end of liability and removing that liability.

We go a step further because there is a legitimate concern in Illinois and around the country that many family farms, for example, cannot be passed on by a surviving spouse to the children; family businesses, small businesses that have been created cannot be passed on to children to carry on. I am sensitive to that. I have met a lot of farmers and a lot of businesspeople who have said: This is something we built our lives around, our family built their lives around. Then when we die, the value of the business is such we could not leave it to our kids.

I think we have to find a way to deal with it. The Democratic alternative does. Let me tell you how. We increase the family-owned business exemption from \$2.6 million per couple to twice that of the general exemption of \$4 million per couple by 2002; \$8 million by 2010. The net result of it is this: This will remove virtually all family-owned farms from liability under the estate tax and 75 percent of family-owned businesses from the estate tax rolls.

I think this is a realistic and honest reform of the estate tax. I can go back to my home State of Illinois and say, for individuals as well as family farms and small businesses, we heard their pleas for assistance and relief and we responded in a way that I can defend. The cost of our approach, over a 20-year period, is some \$300 billion. The cost of the Republican approach is \$750 billion because, you see, they go all the way. They take the tax off virtually everyone. So if people have been so fortunate, living in this country, prospering in this country, to die with estates that are worth billions of dollars, then, frankly, the Republicans say they should not owe this country a nickel; at this point we are going to take the tax off of them; we are going to give them a tax break.

Let me show some charts to illustrate this tax and its impact. This is estates subject to the current estate tax—97 percent of the current nonfarm, non-small business estates pay no estate tax; 3 percent of small businesses and family farms might face some liability. So it is a tax, as I indicated earlier, that affects very few.

Look at this, too, in terms of the share of the estate tax burden. The bottom 98 percent of people who pass away in this country pay zero in Federal estate tax. The top one-tenth of the wealthiest 1 percent of estates in America pay 50 percent. We are talking about the highest rollers in America, the people who have done the best, who

would end up paying over 50 percent of the income that comes to this country from estate taxes. Those are the people the Republicans say should be first in line when we talk about tax relief.

I see it a different way. Let me tell you some of the things we might consider doing instead of providing this kind of tax relief to people who are in such high-income categories.

We could take the difference between the Democratic and Republican plan, some \$450 billion over 20 years, and pay down our publicly held national debt. I think that is of value to everybody in this country, rich and poor alike, families, individuals, businesses—big business and small business. Why? As the Government borrows money to pay down its debt, it is money taken out of the system that could have been used for the creation of businesses and capital creation. As the Government borrows money, it competes for available funds in the marketplace and raises interest rates. As we pay down our national debt, we reduce the burden of taxpayers to service that debt and, frankly, give to our children the very best legacy. We do not leave them the mortgage that we incurred for our debts during our lifetime.

Many of us believe that is a more responsible thing to do than to give a tax break under the estate tax to the wealthiest people in this country. The Republicans disagree. They say the highest priority is not bringing down our national debt; the highest priority tax relief is for people who are literally making millions of dollars a year.

Let me give an example. The Republican estate tax bill gives the *Forbes* magazine's 400 richest Americans, read this now, a \$250 billion windfall tax break. Money that could have been spent to reduce our national debt, to say to future generations we are going to take that burden off your shoulders—instead is being given to literally the wealthiest people in America.

That is the idea of tax justice being propounded on the Republican side of the aisle. I don't think it works. I don't think it is consistent with the values and ethics of most American families.

There are other things that can be done and may not be accomplished because of this Republican strategy to eliminate the estate tax in its entirety. Let me address one that is so very important to so many people. It is the prescription drug benefit under Medicare. When the Medicare program was created in the 1960s, President Lyndon Johnson did something which literally changed America. He decided, with the help of the Democratic Congress, that we would create a health insurance plan for the elderly and disabled in America.

At that point in time, they were on their own. If they had the resources to pay for health insurance, or they were wealthy enough not to care, they were taken care of. But the vast majority of people going into retirement were really vulnerable. They no longer had a

paycheck—maybe a Social Security check, but they had little else to turn to. When they faced a huge hospital bill or a doctor bill, they were on their own. So we created Medicare.

As good as Medicare has been—and it is a proven success because seniors are living longer—it didn't include prescription drugs. You know what that means today? When you go to a doctor and say, "I don't feel well," the doctor says, "Let me write out a prescription. Take the pills and see if it helps." So you go to the drug store and get the medicine. Maybe it will help, and in most cases it does. But the cost of those drugs continues to increase. A lot of seniors on fixed incomes can't afford to pay for the prescription drugs.

I have had hearings in the State of Illinois, and people have told stories that are sad but true, where they have had to make hard choices. There were seniors who were literally deciding whether or not to fill their prescriptions or to fill their grocery orders; seniors who would go into a supermarket and go to the pharmacy first to decide whether or not they could afford their medicine before they shopped for food; seniors who didn't fill prescriptions because they couldn't afford it, or they may take half a pill instead of what they were supposed to take because they couldn't afford to pay for the full prescription. That is a reality of life in America today.

When the Republicans say our highest priority has to be the elimination of an estate tax, which means a \$250 billion windfall tax break to the 400 richest Americans, I think they have it all wrong. I think our highest priority should be a prescription drug benefit. After we have paid down this national debt, we should take a portion of it and put it in a prescription drug benefit under Medicare. That will help more people. It is certainly going to improve the quality of their lives.

If I had to list my highest priority after paying down the national debt, it would be to help with the prescription drug benefit. Now, the Republicans in the House proposed their own version of a prescription drug benefit. It is clearly something supported by the drug companies and pharmaceutical industry because it would allow them to continue to charge their high prices. What it would say is that basically they would subsidize people buying insurance to pay for their prescription drugs. But when you take a close look at it, it falls apart.

First off, the insurance industry doesn't offer that kind of prescription drug insurance by itself. If they do, it is extremely expensive. The reason they don't offer it is something called "adverse selection." If you happen to be very ill and need prescription drugs, you would go and try to buy such a policy. Of course, insurance works when people who are buying the insurance include not only those who need a payout immediately, but those who are going to pay premiums regularly until

they do. Well, for that reason, the insurance industry already has said the Republican plan is not likely to ever result in any help to any senior citizens.

Plus, there are a lot of people who have misgivings about turning over prescription drugs and their future to insurance companies. They can recall what many of these same insurance companies did when it came to HMOs and managed care. They forgot about the patient and even forgot about the doctor. We had insurance clerks making decisions on health care. Frankly, the losers ended up being patients and their families.

I recall going to a hospital in Springfield, IL, and doing rounds with a local doctor. He made a decision that a woman should stay in the hospital over the weekend before important and delicate brain surgery on Monday. He had to call the insurance company in Nebraska and ask for permission for her to stay in the hospital. The insurance company clerk said: No, send her home. The surgery is not until Monday.

He said: She is elderly and frail, and she loses her balance; I don't want her to hurt herself, and I want her here Monday for this important surgery.

The insurance clerk was overruling the doctor. The doctor hung up the phone and said: Leave her in the hospital and I will appeal this later on.

That is the kind of insurance company situation the Republicans want to turn to when it comes to prescription drugs. They want these same insurance companies to decide whether or not you get your prescription drugs filled. Well, we have seen what they have done with managed care and with HMOs. It is no wonder that a lot of Americans are skeptical about the Republican approach to this. They would much rather see a plan for prescription drugs under Medicare, one that is universal and covers everybody. Medicare currently covers everybody. I also recall that in the last couple years some 1.3 million seniors have seen their Medicare HMO plans canceled by the insurance companies. So they are high and dry and are looking for insurance coverage.

When the Republicans say we can trust the insurance companies when it comes to prescription drugs and health care, human experience tells us otherwise. These companies make decisions based on the bottom line profit. These companies will cut off people in terms of their coverage when they no longer think they are turning a profit, and they will leave the people high and dry.

The other thing that is fundamentally flawed in the Republican approach on prescription drug benefits is they don't even address the question of pricing. You can create a prescription drug benefit that looks beautiful on paper. It will be easy to sit down with any number of Americans and come to that conclusion. But if you don't address the increasing cost of prescription drugs, it is a guarantee that that

benefit and that program will fail. The Republicans do not even address that.

If we bring this program under Medicare, as the Democrats have suggested, we will have bargaining power. What is that worth when it comes to prescription drug benefits? You have heard stories, as I have, about people who go to Canada and buy the same drugs for a fraction of the cost in the United States. They are exactly the same drugs, made in the U.S., approved by the Federal Government, sent to Canada, where they charge a fraction of the cost. Why is this? It is because of the bargaining power of the Canadian Government. They sit down with the drug companies and they say: We are not going to agree to a price increase every month or to the prices going through the roof. If you want your drugs as part of our health care system in Canada, you will keep the prices under control.

Do you know what. The same drug companies—American drug companies—do just that. They keep prices under control in Canada, but they charge Americans skyrocketing drug prices.

The Republican plan on prescription drug benefits doesn't even address this. If you don't address the pricing of drugs, frankly, you are offering no benefit whatsoever—no prescription drug benefits. Do Americans want it? You bet they do, in overwhelming numbers. That is a high priority. But to take a look at this, the highest priority for the Republican leadership in the Senate is not prescription drug benefits for the elderly and disabled; it is the elimination of the estate tax, which gives the Forbes magazine 400 richest American families a \$250 billion windfall tax break.

Which would help America more? Prescription drug benefits so seniors can remain independent and strong and healthy for a longer period of time or a windfall tax break to the wealthiest people in this country? I think the answer is obvious. But it really betrays the statement from the Republican side that they are in tune with the American people when they would come up with an estate tax change of such magnitude and which is so generous to the wealthiest among us, when the American people are looking for something much different from this Congress.

We want to make sure the drug benefit is available to everybody. We want to make sure you have your choice, that your doctor will be able to prescribe the necessary drugs for you and that they will be filled. We want to make sure that it is done under Medicare.

We think the effort of the Republicans to take this out of Medicare may be the beginning effort to basically tear down Medicare. This has never been a program the Republicans have cheered over. When we want to try to protect Medicare, it is usually a lonely voice on the Senate floor. They have

not been willing to come forward. They understand it was a creation of Democratic leadership, and I guess they are not listening to their seniors and disabled at home who understand the critical importance of this program.

There are other things we can be doing in terms of the Tax Code that would help real people and families. One of them is the full deductibility of health insurance. The fact that self-employed people in this country cannot fully deduct their health insurance premiums is what I consider one of the major injustices in the Tax Code. If you start a small business and you want to provide health insurance for yourself, your family, or for some of your employees, you might find yourself in a position where you cannot deduct the full cost of the health insurance premiums from your taxes. Large corporations can; small businesses can't. Big corporations can do it; family farmers cannot.

That doesn't make any sense. It is unjust. It is a loophole in the Tax Code which should be changed to protect the small businessman and to protect the family farmer and the people who work for them.

If I draw up a list of priorities when it comes to tax reform, I don't start off with the 400 richest Americans and give them a \$250 billion windfall tax break. Instead, I deal with real families, real businesses, and real people who are trying to find health insurance to cover members of their family.

I also think we should be considering a tax credit for small businesses that offer health insurance to their employees. We know in America that there are some 4 million people who have no health insurance whatsoever. I think that is a scandal. Frankly, in a nation as prosperous as we are and at a time when we are talking about literally trillion-dollar surpluses, it is incredible to me that we don't have the political will on a bipartisan basis to start talking about health insurance coverage for all sorts of American families and businesses. But we haven't done it. Instead, we hear from the Republican side of the aisle that before we talk about health insurance, before we start talking about tax credits to businesses, before we start talking about prescription drugs, let's take care of the richest people in America. That is their highest priority. That is the group they put on the front of the line. We see it differently on the Democratic side. We believe there are things we can do to improve the quality of life of many people.

Let me also tell you about another proposal on which I prepared legislation. It is called caregivers insurance. We have a plan now for children across America. Many of the States are implementing it. If children don't have health insurance, we help States pay for that health insurance. That is a good plan. I voted for it. I supported it. I think we should extend it to the next

phase—to what I call caregivers insurance. When I make reference to caregivers, I am talking about people who work in day-care centers, those who are literally in charge of our children and grandchildren every single day. The people who work for a minimum wage, or slightly more, have no benefits. There is massive turnover in their jobs. I think we ought to be talking about extending health insurance for those caregivers in day-care centers, those who work in personal attendance of the disabled, home health care workers who take care of people so they can stay home and not have to go to nursing homes, and for those working in convalescent nursing homes.

Those are caregivers who have very little benefits. Yet we trust them with our parents, with our grandparents, with our children, and grandchildren.

I think that is the kind of thing many American people would like to see. It will help them pay for child care. It won't raise the cost. We will provide the health insurance through a program of our own at the Federal level. I would like to vote on it. I think it would be well received. I might not get that chance because the vote we will face in the next few days is whether or not, instead of helping caregivers who get up and go to work every day and take care of our kids and parents, we are going to give to the 400 richest Americans a \$250 billion windfall tax break with the Republican proposal to eliminate the estate tax.

Mr. DORGAN. Mr. President, I wonder if the Senator from Illinois will yield.

Mr. DURBIN. I would be happy to yield.

Mr. DORGAN. Mr. President, I was interested in the discussion offered by the Senator from Illinois. In fact, I was interested in the discussion earlier by the Senator from Arizona, Mr. KYL, who was complaining about some comments I made earlier in the day.

As I understand the Senator from Illinois, he indicated earlier—and I did earlier today as well—that he would support an amendment that would effectively say we will repeal the estate tax for all small businesses and family farms up to \$8 million. So there is no disagreement in this Chamber on that. We will repeal the estate tax for those estates up to \$8 million. The difference is the majority party says that is not enough. We want to repeal the estate tax for estates over \$8 million as well.

The Senator from Illinois seems to be saying, as I said this morning, that the loss of revenue by repealing the estate tax for the wealthiest estates in this country is something that ought to be measured against other alternatives, such as providing a tax cut for middle-income people, for example, or a range of investments that might be made to strengthen this country.

The Senator from Arizona, I noted, was saying: Well, people who think like that are big-spending liberals.

Who are the real big spenders? They are the folks who say: You know, we

ought to spend money by deciding that a \$1 billion estate should be relieved of the burden of having any estate tax at all, and decide that relieving an estate tax burden from the largest estates in this country is more important than investment in education, it is more important than a middle-income tax cut, it is more important than paying down the Federal debt.

Who are the big spenders, I ask the Senator from Illinois?

Mr. DURBIN. I think the Senator hit the nail on the head. What the Republicans are prepared to do is spend our surplus by providing tax breaks for the wealthy people in this country. The Senator and I happen to see it differently. We believe we can reform the estate tax and basically protect small businesses, family farms, and estates of people leaving \$8 million, and still have money left for valid programs in this country. It will help a lot of working families and family farmers.

Mr. DORGAN. Isn't it a fact, more than reforming the estate tax, that the Senator from Illinois and the Senator from North Dakota and others would say let's effectively repeal the estate tax for estates up to \$8 million for small businesses or family farms? In fact, the Senator from Illinois is saying let's repeal the estate tax to that level. But he doesn't want to go the next step as proposed by the majority party of saying no, that is important to do, but let's do something that is even more important. Let's make sure the repeal of the estate tax burden applies to people who leave estates of hundreds of millions of dollars.

Is that a priority? It seems to me that it ought to be measured against a range of other things that we ought to do.

I just make the point that I always smile a little when I hear these pejoratives about big spenders. It is sort of yesterday's news. It so happens that folks standing on this side of this Chamber are the ones who cast the tough votes that put this country back on track of getting rid of the burgeoning Federal deficits a few years ago when there was well over \$300 billion in Federal deficits, and now, of course, to balance the budget. We cast the tough votes to do that. I don't need to hear much from people about who the big spenders are. We put this country back on track.

There are those who insist the largest estates in America should be relieved of their estate tax burdens and are suggesting that those of us who believe there are other alternatives that might be more appropriate—more middle-income tax relief, or other things—are called big spenders. I think that is yesterday's language in a wornout discussion.

Mr. DURBIN. I thank the Senator from North Dakota.

Mr. LOTT. Mr. President, will the Senator yield?

Mr. DURBIN. Without losing the floor, I would be happy to yield to the majority leader.

Mr. LOTT. I thank the Senator from Illinois for yielding this time for a unanimous consent request.

#### INTERIOR APPROPRIATIONS AMENDMENTS

Mr. President, I ask unanimous consent that the following amendments be the only first-degree amendments in order to the Interior appropriations bill and subject to relevant second-degree amendments.

Those amendments are as follows:

B. Smith, Relevant;  
B. Smith, Relevant;  
Snowe, Relevant;  
Snowe, Relevant;  
Gramm, Relevant;  
Helms, Relevant;  
Abraham, Gas tax;  
Inhofe, NEA;  
Collins, Salmon;  
Collins, SPRO authority;  
Ashcroft, Methamphetamine Lab cleanup;  
Sessions, Rosa Parks Library;  
Sessions, Bonsecor Wild Life Refuge;  
Sessions, Indian gambling;  
Roth, Lewis Maritime Museum;  
Crapo, Back country air stripes;  
Brownback, Historic markers;  
Thomas, Funding for payment in lieu of taxes;  
Warner, Louis & Clark expedition bicentennial celebration;  
Warner, Fish and Wildlife land purchase;  
Grams, Windstorm expenses;  
Hatch, Four corners monument;  
Gorton, Technical;  
Gorton, Technical;  
Gorton, Relevant;  
Gorton, Relevant;  
Gorton, Relevant;  
Gorton, Relevant;  
Gorton, Relevant;  
Craig, Roadless area rule making;  
Domenici, Hazardous fuels reduction;  
Domenici, Forest Service operations;  
Domenici, New Mexico water;  
Domenici, Park Service construction;  
Grassley, Management of Mississippi River Island;  
Grassley, Fish and Wildlife land exchange;  
Grassley, Mississippi River Island land exchange;  
Stevens, Relevant;  
Stevens, Relevant;  
Stevens, Direct conveyance of homestead to Dick Redmon;  
Stevens, Direct payment to city of Cray;  
Stevens, Accrual of interest on escrow;  
Stevens, Subsistence dollars to Alaska  
Stevens, Modify Weatherization Program;  
Lott, Relevant to any on list;  
Baucus, Forest Service funding;  
Baucus, relevant;  
Baucus, relevant;  
Bingaman, Hazardous fuels;  
Bingaman, Four Corners (w/Hatch);  
Boxer, Pesticide use in National Parks;  
Breaux/Landrieu  
Cane River National Heritage area;  
Bryan, Timber Sales;  
Bryan, Forest Service land conveyance;  
Bryd, Manager's amendment;  
Bryd, DoE reprogramming;  
Bryd, Relevant to any on the list;  
Conrad, Relevant;  
Conrad, Relevant;  
Daschle, Funds for United Sioux Tribes;  
Daschle, Relevant to any on the list;  
Dodd, Relevant;  
Dorgan, Relevant;  
Dorgan, Relevant;  
Dorgan, Relevant;  
Durbin, Strike section 116 grazing permits;  
Durbin, Wildlife Refugee in Kankakee River Basin;  
Edwards, Land acquisition;

Edwards, USGS flood gauges;  
 Edwards, Drug control on public lands;  
 Edwards, Crime control on public lands;  
 Edwards, Relevant;  
 Feingold, Relevant;  
 Feingold, Relevant;  
 Feingold, Relevant;  
 Feingold, Relevant;  
 Feingold, Relevant;  
 Feinstein, Sequoia National Monument;  
 Feinstein, Relevant;  
 Johnson, Relevant;  
 Johnson, Relevant;  
 Johnson, Relevant;  
 Kerrey, Relevant;  
 Kerry, American Rivers—Sec. 326;  
 Landrieu, National Center for Technology  
 and Training;  
 Landrieu, Oakland Cemetery funding;  
 Levin, Land acquisition, NPS;  
 Levin, NPS operations;  
 Lieberman, Northeast Home Heating Oil;  
 Reed, NEA;  
 Reed, Weatherization;  
 Reid, Relevant to any on list;  
 Torricelli-Reed, Urban parks;  
 and, Wellstone, #3772 Minnesota Forest;

The PRESIDING OFFICER (Mr. BROWNBACK). Is there objection?

Without objection, it is so ordered.

#### DEPARTMENT OF DEFENSE AUTHORIZATION

Mr. LOTT. Mr. President, I ask unanimous consent that no later than 6:30 p.m. tonight, notwithstanding rule XXII, the Senate resume consideration of the Department of Defense authorization bill. I further ask unanimous consent that any votes ordered with respect to the amendments offered and debated tonight occur beginning at 11:30 a.m. on Wednesday, with no second-degree amendments in order, where applicable, and 2 minutes prior to each vote for explanation, and that there be 2 hours prior to the 11:30 a.m. votes to be equally divided prior to proceeding to H.R. 8.

To sum up, we would complete the remaining debate time between now and 6:30 on the death tax issue. Then we would go to the Department of Defense authorization bill for debate on amendments tonight. Those votes on amendments, if any are required, would occur at 11:30.

When we come in at 9:30 tomorrow, we would have 2 more hours for debate time on the estate tax/death tax issue with no second degrees in order, and there will be 2 minutes prior to each recorded vote at 11:30, prior to the vote.

Mr. REID. Reserving the right to object, Mr. President, first of all, we are advised that we have a number of Senators who will have 15 minutes each to speak in the morning. I don't think we need to agree to the motion. We consent to going to H.R. 8, if that is OK with the leader.

Mr. LOTT. Prior to the agreeing to the amendments, to proceed, which could be done.

Mr. REID. We want to do it by consent rather than agreeing to the motion.

Mr. LOTT. Mr. President, I modify it to say that there will be 2 hours prior to 11:30 a.m., with 2 minutes equally divided before votes to be equally divided as we go to H.R. 8.

Mr. REID. Reserving the right to object, we just received a phone call. I think this is a good agreement, but I need to call a Senator. I say to the leader, if I handle this, the leader doesn't need to be on the floor and I can agree to the unanimous consent request proposed.

Mr. LOTT. I withhold my unanimous consent request at this time. I apologize for interrupting speakers. If Senator REID can make this call and we can renew this request momentarily, I would like to do it. I need to go to a retirement event for Senators and House Members. Hopefully, we can complete this momentarily.

I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. As I mentioned earlier, the issue before the Senate is the Republican proposal to abolish the estate tax. This is a tax which is paid by less than 2 percent of the people who die in America. Those who pay it are in the very highest income categories. When the Republican leadership put together its list of priorities of the most important things to be done under the Tax Code, they said the first and most important thing to do, and one of the most expensive things we can do, is to relieve the wealthiest people in America from paying an estate tax. That, to me, raises a question of priorities.

Who will be first in line on the Republican side of the aisle to benefit from this congressional action? According to the Republican leaders, the first in line will be the people who are first in line in the world—the wealthiest in this country, the wealthiest who will benefit from the elimination of this estate tax.

The New York Times editorial on June 11 of this year summarizes the impact of this Republican proposal:

Seldom have so many voted for a gargantuan tax cut for so few. Abolishing the estate tax would have severe consequences. When fully phased in, the bill would cost about \$50 billion a year. Repeal would also threaten the Nation's finest universities and museums. Wealthy families no longer facing estate tax cuts might well decide to leave more money to their families, and less to charity.

The Democrats offered a more than reasonable alternative. Yet the House swatted the alternative aside, demonstrating that a large majority of Members were less concerned with rescuing family farms and businesses than with enriching their wealthiest supporters.

Another editorial worth making part of the RECORD is from USA Today on June 9:

But behind the caterwauling about the "death tax" the truth is quite different. Most people will never be affected by inheritance taxes: 98 percent of all estates aren't big enough to be liable. Even among the elite 2 percent, very few are farmers and small businesses. But there are better ways to spend \$50 billion a year than handing it to the heirs of the wealthiest people in the country. Take your pick: Middle class tax cuts, improved health benefits for seniors or paying down the national debt for starters.

That is what this is about.

The question we have to ask ourselves, Whose side are we on? Are we on the side of the wealthiest people in this country in terms of helping them out or will we be on the side of businesses, family farms, and families who are struggling to get by?

Another topic we are debating that relates to this debate on the estate tax is something called an H-1B visa.

Mr. LOTT. I apologize.

Mr. DURBIN. I am happy to yield to the majority leader.

Mr. LOTT. Mr. President, I renew my unanimous consent request.

The PRESIDING OFFICER. Is there objection?

Mr. REID. No objection.

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

Mr. DURBIN. The H-1B visa is a request by many people in private industry to increase the number of those who can come into the United States by the tens of thousands to fill well-paying, highly skilled jobs. The argument of these businesses is that they can't find workers in America with the skills necessary. We find these arguments coming out of Silicon Valley and similar high-tech areas. They just cannot find skilled American workers to fill the jobs. They ask us to change the law and allow immigrants to come from other countries to fill these jobs. They have a legitimate concern.

Many Members believe we should do something to help them. If the alternative to bringing in people working in this country is shipping the jobs overseas, that certainly doesn't do our economy any good. Isn't it interesting that we are considering the shortages in skilled workers and allowing immigrants to come in to fill these jobs, instead of discussing as part of a program a way to improve education and training in America so we have these skilled workers?

If we are going to improve that education and training, it will cost money. Instead of putting the money into education to help kids go to college and to get special skills, the Republicans think we should put the money into tax relief for the wealthiest people in this country. That is the reprise we hear over and over again on the Republican side: Just make the wealthiest people in this country wealthier and America will be a better place to live.

I think the wealthy people can take care of themselves. They do pretty well. The people who need a helping hand are families trying to put their kids through school.

One of the tax benefits which most of us on the Democratic side support, one that has been proposed by President Clinton, allows working families to deduct the cost of college education from their taxes. That means if we have a tuition bill of \$10,000, the Federal Government will basically help pay for college education expenses up to, say, \$2,800 a year. That is a direct helping hand from the Government. It doesn't go to the wealthiest among us but to



people who are struggling to make sure their kids have a better chance in this world than they had.

I have often thought to myself, when a new child is born into a family, after everybody has come around and admired the child and tried to figure out if he or she looks like mom or dad or grandma or grandpa, one of the things usually said is: Boy, by the time this little one reaches college age, how will we ever afford to pay for it? That is a real conversation I have heard over and over again.

Seldom, if ever—in fact, never—have I heard families say, boy, this little one here, I am worried about how much of my estate I will be able to leave when I die. People think in terms of the needs of the living. And the needs of the living include college education. On the Republican side, this is not a priority. It is certainly not as important a priority as giving a tax break to those with the most extensive and largest estates in America.

I can recall back in the late 1950s when the Russians launched Sputnik. There was a fear in the United States that they had a scientific advantage on the U.S. and that this advantage that launched the satellite into space might lead to a military superiority. Congress decided for one of the first times in its history to provide direct assistance to students. We created something known as the National Defense Education Act. The reason I recall that so fondly is because I happened to be one of the beneficiaries of that Federal program. It was a loan program. You could borrow money to go to college, complete your degree, and pay it back to the Government. It was the best deal I ever had. I like to think the money I received was money well spent for me and my family and perhaps for the country.

Isn't this a time in our history where we ought to be stepping back and, instead of trying to come up with an estate tax break for the wealthiest families in America, shouldn't we be thinking about ways to help families across America pay for college education and training so we in America have a workforce ready for the 21st century? I think education should be the first priority when it comes to tax breaks. I don't think the first priority should be the estate tax repeal that the Republicans have proposed. I think the wealthiest among us, as I said earlier, can take care of themselves. If we can find ways to help families pay for college education, then I think we will be doing something meaningful, something that is responsive to families, to what families across America are looking for. As I said earlier, the basic question is, Whose side are we on in Congress?

I also find it interesting that we have the time, whatever it takes, to spend debating and passing tax relief for wealthy Americans, but no time to address the question of an increase in the minimum wage. There are 350,000 people in my home State of Illinois who

got up this morning and went to work making a minimum wage. Some of them are teenagers in their first jobs, but, sadly, many of them are folks who are working one, two, and three jobs trying to keep the families together. For years, literally for years, the Democrats have been asking for an increase in the minimum wage across America. Mr. President, \$5.15 an hour is not enough. It is not enough to raise yourself, let alone a family. Unfortunately, the Republicans have opposed our efforts to increase the minimum wage by \$1 over a 2-year period of time.

They say they are fearful of the impact it might have if we give people something closer to a living wage, but they obviously have no fear in spending \$750 billion in a tax break for the wealthiest among us, people who are literally making, on average, over \$190,000 a year in the year of their death. Those are the ones the Republicans believe need help from Congress. Those who get up every morning and go to work, cleaning tables in a restaurant, making the food in the kitchens, making the beds in the motels, watching our kids in day-care centers, the Republicans believe they do not need an increase in their minimum wage.

What a difference in priorities. I would put those folks who are working hard for America and doing the right thing in the front of the line. The Republicans put the wealthiest, those who have made the most in this great country of ours, as the highest priority when it comes to action by Congress.

Time and again, when given choices between increasing health care for workers and their families, giving tax benefits to small businesses so they can offer health insurance, giving people the means to pay for the college education of their kids, offering such things as long-term care insurance or help for the care of their aging parents, the Republicans have said: No, it is not on our priority list. Our priority list starts with the wealthiest people in America, the people who *Forbes* magazine identified as the 400 richest families in America who would benefit from the Republican estate tax repeal to the tune of \$250 billion. That is where they believe we should spend the money.

Frankly, that is what elections are all about. Those of us on the Democratic side who believe we can have a better Nation, that we can take our anticipated surplus and invest it in the people of this country, think the Republicans are fundamentally wrong. We can reform the estate tax, we can exempt the vast majority of families, over 99 percent of the families in America, we can exempt virtually two-thirds or more of those who are currently paying the tax, and we can exempt family farms and small businesses—75 percent are currently paying the tax—and do it in a way where we will have money left to invest in education and health care. No, the Republicans, frankly, say every penny has to go to the wealthiest people in this country.

We ought to keep a running score on the proposals on the Republican side and what they are going to cost. This one is worth about \$750 billion. If I am not mistaken, the George W. Bush tax cut for wealthy people—a separate tax cut—is worth over \$1 trillion, and the George W. Bush proposal to privatize Social Security will cost some \$800 billion and have benefits reduced under Social Security. To that extent, this gives us an idea of how the Republicans time and time again want to spend the surplus which we are now enjoying in this country. That is something many of us think is very shortsighted.

The President's belief, and one I share, is that the first commitment of any surplus should be in paying down the national debt so we carry less of a burden for paying interest on that debt and less of a burden for our children. We should take that money in our surplus and invest it in Social Security and Medicare so they are strong for a long time to come, and then target tax cuts to middle-income families, those who are struggling, as I said, to pay for basic expenses, whether it is day care, college education, or long-term care for their parents.

That is the difference in philosophy. That is the choice in the election year. For the Republicans, the first group in line will always be the wealthiest among us. That is their party. That is in what they believe. They think if the wealthy are treated right, America is a much better place to live. A lot of us believe differently. We think investing in our people is a much better investment.

I want to speak for a moment about prescription drugs, too, because I said earlier this is a priority among Democrats, Republicans, and Independents alike. They believe prescription drug benefits should be passed by this Congress. The Republican answer to that is the same answer they came up with on a Patients' Bill of Rights: They turned to the insurance industry and said to insurance companies: How can we make some money for you in terms of a Patients' Bill of Rights pricing?

They came up with this notion we would somehow subsidize insurance plans to pay for prescription drugs. I think Americans are skeptical of that approach. They understand the Democratic approach which would use the Medicare system, which would be universal, and is a tried-and-true system under Medicare to provide benefits to families across America and would give the Medicare system bargaining power to keep drug prices under control.

The Republicans want to subsidize insurance companies. It is no surprise Americans are skeptical of whether those insurance companies will be responsive to the needs of families when it comes to prescription drugs. That is why we have a serious difference between the two parties on this issue. The Republican bill does not give seniors a choice of guaranteeing coverage under Medicare. That is the most important single thing that seniors ask

for: guaranteed prescription drug coverage under Medicare. The Republican plan does not respond to that.

The Republican plan also provides subsidies to insurance companies, and yet there is no guarantee that the insurance companies will even offer the coverage, and they will not be offering a Medicare-type plan.

The Republican approach on prescription drugs does nothing about fair prices. As I said earlier, the pharmaceutical companies must be cheering this idea. The Government is going to subsidize some sort of insurance scheme to pay for prescription drugs, and yet the prices continue to go through the roof. We understand that such a plan will never work. What insurance company is going to sign up to pay your prescription drugs with no guarantee of any control on price? The Republicans, obviously, are insensitive to the price issue.

In addition to accessibility to prescription drugs insurance, price is also important. Americans understand that drugs in Canada, made in the United States, sell for a fraction of the cost. One can take the same pill and order it at the veterinarian for one's dog and go across the street and order it for oneself and find a dramatic difference in cost. It is because the drug companies are gaming the system, and they are very open about it. They are going to charge the highest price to those who will pay it, and those who will pay for it in our country are the Medicare beneficiaries—the seniors and disabled.

Once again, Republicans have failed to respond to the basic need in this country: a prescription drug benefit. It is no surprise the Republicans do want to use the Medicare system as the Democrats have proposed. We believe we can provide to seniors the choice of a guaranteed prescription drug coverage under Medicare, but the Republicans are opposed to that. They have been critical of Medicare since its creation. They have talked about privatizing this benefit of prescription drugs, leading many to believe that ultimately they are hoping to privatize Medicare.

When we tried, incidentally, to privatize a portion of Medicare recently—we said to Medicare recipients: You can buy an HMO plan—the insurance companies, after a year or two, turned around and said they were not going to write coverage anymore. It has happened in Illinois and across the country and a million seniors have been left high and dry by an insurance market that is driven almost exclusively by profit.

That is, unfortunately, where the Republicans have turned again, to the insurance industry, to try to provide some help with prescription drugs. It is not going to work, and the American people know better. They are going to hold this Congress accountable. If the best we can come up with is the estate tax relief for the wealthiest estates in America and nothing when it comes to

prescription drug benefits, then we have failed the most basic test, and that is whether we respond to the common need in this country. The common need clearly is for a prescription drug benefit, as well as a Patients' Bill of Rights so you can go to your doctor with confidence, and when that doctor makes a decision about you and your family's health, it is not going to be overruled by someone who works for an insurance company.

Those are the basics: Minimum wage, prescription drug benefit, Patients' Bill of Rights. These are things Republicans have not added to their list of priorities. No, their highest priority when it comes to spending and tax relief still turns out to be the wealthiest people in America. We believe that is wrongheaded. It does not take into account the folks who built this country and made it strong for so many years.

I conclude by saying this estate tax is really a test of the priorities of the political parties. Who will be the first in line in the U.S. Congress for help? Who would you turn to first with \$750 billion to provide some equity under the Tax Code? Which group of Americans would you single as needing the most help? The Republicans have answered those questions with the repeal of the estate tax. They believe the people who need the help the most are the folks who have the most in America. I do not believe that is what America is all about.

I yield the floor.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Maine.

Ms. COLLINS. On behalf of the majority leader, I ask unanimous consent that notwithstanding the DOD authorization bill, I be recognized for up to 12 minutes for debate on the estate tax issue.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Maine may proceed.

Ms. COLLINS. Mr. President, it is disappointing to hear the rhetoric from some of my colleagues on the other side of the aisle, implying that if we give our family farmers and our family business owners much needed relief from confiscatory death taxes that we will somehow not be able to afford prescription drug coverage for our senior citizens, or education for our children. That is simply not true. It is disheartening to hear these distortions from some of my colleagues.

I rise today as a longtime supporter of death tax relief for family-owned businesses and farms. In fact, the very first bill I introduced as a Senator in 1997 was to provide targeted estate tax relief for our family-owned businesses. I was very pleased when key elements of my legislation were incorporated into the 1997 tax reform bill.

I first became interested in this issue in my role as director of the Center for Family Business at Husson College in

Bangor, ME, where I served prior to coming to the Senate. The center sponsored a seminar on how a family business should plan to pass a business on from generation to generation. It soon became very clear to me that a major obstacle to this goal, and a significant reason why so few family businesses survive to the second, third, or fourth generation, is the onerous estate tax.

To illustrate this fact, let me share with my colleagues the story of Judy Vallee of Portland, ME. Ms. Vallee's father started a restaurant in Portland, ME. He worked very hard. The whole family worked hard. Eventually he was able to build his business from one restaurant in Portland, ME, to a chain of 25 restaurants up and down the east coast.

Unfortunately, he died. The family was hit with a whopping estate tax bill of about \$1 million—a bill they simply did not have the cash to pay because their assets were tied up in these restaurants. The result was the dismantling of this business, this very successful family business, which Mr. Vallee had labored a lifetime to build.

The ultimate result was that the family was forced to sell off all the restaurants but the one they started with in Portland. That is simply wrong. It is unfair when our tax policy forces a family to dismantle a lifetime of work. It is unfair that a parent cannot pass on to the next generation the fruits of that hard work.

The need for death tax relief is something that small businesses and farmers tell me about every time I am back home in Maine. And that is every weekend. I recently talked with auto dealers from all over the State, including an auto dealer in Bangor, ME, who has built a successful business that he very much wants to leave to his sons.

I have also talked with funeral directors, with bakery owners, with lumber dealers—with a host of businesses of all sizes and kinds throughout the State—who simply have the goal of working hard, creating jobs, building their businesses, and being able to leave those businesses to the next generation. Many of these businesses are capital intensive but cash poor. That is why they are hit so hard when the owner dies and they are subjected to onerous estate tax rates.

In many small towns throughout the State of Maine, these family businesses are the heart and the soul of the community. They are the businesses that support the United Way, sponsor the Little League team, and contribute generously to other local community-based charities. They are the businesses that are always there to help because they employ their friends, their neighbors, and their family members. They are so closely linked to the economy of the small towns in which they exist.

I know that small business owners across the State of Maine were so pleased to see the House of Representatives approve H.R. 8 last month with

such a strong bipartisan vote. I stress, the vote was, indeed, broad based and bipartisan. A total of 65 House Democrats—both moderate and liberal Members—constituting more than 30 percent of the entire House Democratic caucus, joined Republicans in voting for the bill.

Here in the Senate there is also broad bipartisan support for the death tax relief bill introduced by my friend and colleague, Senator JON KYL, who has been such a leader in this effort.

As a matter of sound, long-term tax policy, H.R. 8 seeks to make a very fundamental and noteworthy change to the Tax Code. It recognizes that it is the sale of the asset, not the death of the owner, that should trigger a Federal tax. H.R. 8 would establish the principle that if family members inherit assets or property—a family business or a farm, for example—the Federal Government would tax those assets when they are sold by the heirs by imposing a capital gains tax.

Furthermore, the legislation before us would allow the Government to use the decedent's basis for determining the taxable amount of the inherited assets. So if a family businessperson dies and leaves the assets and property of their business to his or her children, they can continue running the business if they choose to do so without having to worry about the Federal Government's death tax bill forcing them to break up the business or sell the farm. This change would represent a giant step forward for many small businesses and family farms throughout Maine and the country.

There are two other points that I want to make about the impact of the death tax. The first is that it has a very unfortunate impact on jobs. The National Association of Women Business Owners, a group I was pleased to work with in my time with the Small Business Administration, has written a letter endorsing passage of this legislation. This organization surveyed many of its members and found that, on average, 39 jobs per business, or 11,000 jobs of those businesses surveyed, have already been lost due to the planning and the payment of the death tax. You can multiply that death tax time and again to see the deleterious impact of the death tax on job creation.

I know a bag manufacturer in northern Maine who told me that he spends tens of thousands of dollars each year on life insurance in order to be prepared in case he dies so that his family would not be hit by the estate tax. That is money he would like to invest right back into his business in order to hire more people or to buy new equipment or to expand his company. But instead, he is having to divert this money into planning for the estate tax. That is a point that is missed by my colleagues on the other side of the aisle.

They claim that only 2 percent of the people are affected by the estate tax. In fact, it is so many more than that be-

cause of businesses that spend tens of thousands of dollars each year on life insurance or estate tax planning in order to avoid the imposition of the death tax.

The second point that I want to make is the impact of the death tax on the concentration of economic power in this country. I think this is an issue that has been largely overlooked in this debate.

When a small business is sold because the children cannot afford to pay the death tax, it is usually sold to a large out-of-State corporation which is not subject to the death tax. When that happens, it generally results in layoffs for local employees, diminished commitment to the community, and a greater concentration of economic power. Surely, we should not want that to be the result of our Federal tax policy.

The time has come for Congress to act this year to provide overdue death tax relief to our Nation's small businesses and family farms.

In doing so, we will take a giant step forward in making our tax policy far fairer. No longer will it be the death of an owner that triggers the imposition of tax but, rather, the sale of the asset when income is realized. That makes so much more sense as a matter of tax policy. We will also be telling people who have worked so hard over a lifetime to build their business that we, too, believe in the American dream.

I yield back any time I may have remaining, and I yield the floor.

#### NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2001

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 2549 which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 2549) to authorize appropriations for fiscal year 2001 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

Pending:

Smith (of New Hampshire) amendment No. 3210, to prohibit granting security clearances to felons.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, we are prepared to go, but I would like a few minutes to consult with the proponents of the next amendment, together with my distinguished ranking member. I propose to have a quorum call not to exceed 5 minutes. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WARNER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. WARNER. Mr. President, I will momentarily request that we go to regular order, which would bring up the amendment pending by the Senator from New Hampshire, Mr. SMITH. Might I inquire of the Chair if I am not correct?

The PRESIDING OFFICER. That is the pending amendment.

Mr. WARNER. Mr. President, I request regular order, that the amendment be brought up.

The PRESIDING OFFICER. The amendment is pending.

Mr. WARNER. Mr. President, I ask unanimous consent that the yeas and nays be vitiated.

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

Mr. WARNER. I thank the Chair.

Mr. SMITH of New Hampshire. Mr. President, the hearing the Armed Services Committee held April 6 on the issue of security clearances revealed a shocking lack of concern within DOD for protecting our national security secrets.

As a result of that hearing, I proposed an amendment. My amendment, again, is simple. It would prevent DOD from granting security clearances to those who are under indictment for, or have been convicted in a court of a crime punishable by imprisonment for a term exceeding 1 year.

It would also disallow a clearance for anyone who is a fugitive from justice; is an unlawful user of, or addicted to any controlled substance; has been adjudicated as a mental defective; or has been dishonorably discharged from the Armed Forces.

As I said on the floor earlier, in an investigative series by USA Today, it was reported that DOHA, the Defense Office of Hearings and Appeals, granted clearances routinely to felons, including a murderer, individuals with chronic alcohol and drug abuse problems, a pedophile and an exhibitionist, and a convicted cocaine dealer. All received security clearances to work for defense contractors. Another individual was awarded a clearance while on probation for bank fraud, yet another was allowed to keep his clearance after taking part in a \$2 million fraud against the Navy. Another had a history of criminal sexual misconduct for which he was still undergoing therapy.

Common sense dictates that one convicted murderer—or one convicted drug dealer with a security clearance—is one too many.

One individual can wreak havoc on national security. The damaging legacy of Aldrich Ames, Jonathan Pollard, the Walkers, and now suspect spy, Wen Ho Lee, is well-known to all of us who deal with national security issues. We simply cannot afford to have loose standards when it comes to protecting our secrets—and protecting lives.

Let me just add that during the Armed Services Committee hearing on this issue, the witness from DOD's C3I,

which oversees the Defense Security Services, said this in response to my questioning:

I agree wholeheartedly with your observation that one unqualified person for a clearance is one too many, and clearly, I think zero defects is the goals for all of us.

Zero defects—that is what DOD said its goal is for security clearances—well, I agree with that completely, but we have to take measures to reach that goal—not just talk about it as an ideal.

Realistically, we cannot take all of the risk out of the system, but we can at least take a practical approach to denying clearances to those people who have broken the law by serious infractions. And we can send a message to DOHA that it has been far too lenient in granting clearances. This amendment sends that message.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to amendment No. 3210.

The amendment (No. 3210) was agreed to.

Mr. WARNER. I move to reconsider the vote.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WARNER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WARNER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. WARNER. Mr. President, we have had an extensive conference with Senator BYRD and representatives of Senator ROTH's office.

#### AMENDMENT NO. 3767

(Purpose: To provide for annual reporting of the national security implications of the bilateral trade and economic relationship between the United States and the People's Republic of China, and for other purposes)

Mr. WARNER. Mr. President, I send to the desk the Byrd-Warner amendment No. 3767.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Virginia (Mr. WARNER), for Mr. BYRD, for himself, Mr. WARNER, Mr. LEVIN, Mr. HOLLINGS, Mr. HELMS, Mr. BREAUX, Mr. HATCH, and Mr. CAMPBELL, proposes an amendment numbered 3767.

Mr. BYRD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 415, between lines 2 and 3, insert the following:

#### SEC. 1061. ANNUAL REPORT ON NATIONAL SECURITY IMPLICATIONS OF UNITED STATES-CHINA TRADE RELATIONSHIP.

(a) IN GENERAL.—Section 127(k) of the Trade Deficit Review Commission Act (19

U.S.C. 2213 note) is amended to read as follows:

“(k) UNITED STATES-CHINA NATIONAL SECURITY IMPLICATIONS.—

“(1) IN GENERAL.—Upon submission of the report described in subsection (e), the Commission shall continue for the purpose of monitoring, investigating, and reporting to Congress on the national security implications of the bilateral trade and economic relationship between the United States and the People's Republic of China.

“(2) ANNUAL REPORT.—Not later than March 1, 2001, and annually thereafter, the Commission shall submit a report to Congress, in both unclassified and classified form, regarding the national security implications and impact of the bilateral trade and economic relationship between the United States and the People's Republic of China. The report shall include a full analysis, along with conclusions and recommendations for legislative and administrative actions, of the national security implications for the United States of the trade and current balances with the People's Republic of China in goods and services, financial transactions, and technology transfers. The Commission shall also take into account patterns of trade and transfers through third countries to the extent practicable.

“(3) CONTENTS OF REPORT.—The report described in paragraph (2) shall include, at a minimum, a full discussion of the following:

“(A) The portion of trade in goods and services that the People's Republic of China dedicates to military systems or systems of a dual nature that could be used for military purposes.

“(B) An analysis of the statements and writing of the People's Republic of China officials and officially-sanctioned writings that bear on the intentions of the Government of the People's Republic of China regarding the pursuit of military competition with, and leverage over, the United States and the Asian allies of the United States.

“(C) The military actions taken by the Government of the People's Republic of China during the preceding year that bear on the national security of the United States and the Asian allies of the United States.

“(D) The acquisition by the Government of the People's Republic of China and entities controlled by the Government of advanced military technologies through United States trade and technology transfers.

“(E) Any transfers, other than those identified under subparagraph (D), to the military systems of the People's Republic of China made by United States firms and United States-based multinational corporations.

“(F) The use of financial transactions, capital flow, and currency manipulations that affect the national security interests of the United States.

“(G) Any action taken by the Government of the People's Republic of China in the context of the World Trade Organization that is adverse to the United States national security interests.

“(H) Patterns of trade and investment between the People's Republic of China and its major trading partners, other than the United States, that appear to be substantively different from trade and investment patterns with the United States and whether the differences constitute a security problem for the United States.

“(I) The extent to which the trade surplus of the People's Republic of China with the United States is dedicated to enhancing the military budget of the People's Republic of China.

“(J) The overall assessment of the state of the security challenges presented by the People's Republic of China to the United

States and whether the security challenges are increasing or decreasing from previous years.

“(3) NATIONAL DEFENSE WAIVER.—The report described in paragraph (2) shall include recommendations for action by Congress or the President, or both, including specific recommendations for the United States to invoke Article XXI (relating to security exceptions) of the General Agreement on Tariffs and Trade Act of 1994 with respect to the People's Republic of China, as a result of any adverse impact on the national security interests of the United States.”.

(b) CONFORMING AMENDMENTS.—

(1) NAME OF COMMISSION.—Section 127(c)(1) of the Trade Deficit Review Commission Act (19 U.S.C. 2213 note) is amended by striking “Trade Deficit Review Commission” and inserting “United States-China Security Review Commission”.

(2) QUALIFICATIONS OF MEMBERS.—Section 127(c)(3) of such Act (19 U.S.C. 2213 note) is amended by adding at the end the following new subparagraph:

“(C) SPECIAL CONSIDERATIONS.—For the period beginning after December 1, 2000, consideration shall also be given to the appointment of persons with expertise and experience in national security matters and United States-China relations.”.

(3) PERIOD OF APPOINTMENT.—Section 127(c)(3)(A) of such Act (19 U.S.C. 2213 note) is amended to read as follows:

“(A) IN GENERAL.—

“(i) APPOINTMENT BEGINNING WITH 107TH CONGRESS.—Beginning with the 107th Congress and each new Congress thereafter, members shall be appointed not later than 30 days after the date on which Congress convenes. Members may be reappointed for additional terms of service.

“(ii) TRANSITION.—Members serving on the Commission shall continue to serve until such time as new members are appointed.”.

(4) TERMINOLOGY.—

(A) Section 127(c)(6) of such Act (19 U.S.C. 2213 note) is amended by striking “Chairperson” and inserting “Chairman”.

(B) Section 127(g) of such Act (19 U.S.C. 2213 note) is amended by striking “Chairperson” each place it appears and inserting “Chairman”.

(5) CHAIRMAN AND VICE CHAIRMAN.—Section 127(c)(7) of such Act (19 U.S.C. 2213 note) is amended—

(A) by striking “Chairperson” and “vice chairperson” in the heading and inserting “Chairman” and “vice chairman”;

(B) by striking “chairperson” and “vice chairperson” in the text and inserting “Chairman” and “Vice Chairman”; and

(C) by inserting “at the beginning of each new Congress” before the end period.

(6) HEARINGS.—Section 127(f)(1) of such Act (19 U.S.C. 2213 note) is amended to read as follows:

“(1) HEARINGS.—

“(A) IN GENERAL.—The Commission or, at its direction, any panel or member of the Commission, may for the purpose of carrying out the provisions of this Act, hold hearings, sit and act at times and places, take testimony, receive evidence, and administer oaths to the extent that the Commission or any panel or member considers advisable.

“(B) INFORMATION.—The Commission may secure directly from the Department of Defense, the Central Intelligence Agency, and any other Federal department or agency information that the Commission considers necessary to enable the Commission to carry out its responsibilities under this Act.”.

“(C) SECURITY.—The Office of Senate Security shall provide classified storage and meeting and hearing spaces, when necessary, for the Commission.

"(D) SECURITY CLEARANCES.—All members of the Commission and appropriate staff shall be sworn and hold appropriate security clearances."

(7) APPROPRIATIONS.—Section 127(i) of such Act (19 U.S.C. 2213 note) is amended to read as follows:

"(i) AUTHORIZATION.—

"(1) IN GENERAL.—There are authorized to be appropriated to the Commission for fiscal year 2001, and each fiscal year thereafter, such sums as may be necessary to enable it to carry out its functions. Appropriations to the Commission are authorized to remain available until expended.

"(2) FOREIGN TRAVEL FOR OFFICIAL PURPOSES.—Foreign travel for official purposes by members and staff of the Commission may be authorized by either the Chairman or the Vice Chairman."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on December 1, 2000.

AMENDMENT NO. 3794 TO AMENDMENT NO. 3767

(Purpose: To provide for annual reporting of the national security implications of the bilateral trade and economic relationship between the United States and the People's Republic of China, and for other purposes)

Mr. BYRD. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. BYRD), for himself and Mr. WARNER, Mr. LEVIN, Mr. HOLLINGS, Mr. HELMS, Mr. BREAUX, Mr. HATCH, Mr. CAMPBELL, Mrs. LINCOLN, and Mr. WELLSTONE, proposes an amendment numbered 3794 to amendment numbered 3767.

Mr. BYRD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. WARNER. Mr. President, I ask unanimous consent that the amendment be laid aside, and that we proceed with other matters.

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

AMENDMENTS NOS. 3250 AND 3751 MODIFICATIONS

Mr. WARNER. Mr. President, I ask unanimous consent that the amendment No. 3250 be modified by striking section 3531(a)(1) of the bill, and that amendment No. 3751 be modified by striking section 3405(e)(1)(b) of the Strom Thurmond National Defense Authorization Act for the fiscal year 1999, as amended by section 3202(b) of the bill.

The PRESIDING OFFICER. Is there objection?

Mr. LEVIN. Mr. President, reserving the right to object, as I understand, the request was that amendment No. 3751 be modified.

Is that correct?

Mr. WARNER. The Senator is correct.

Mr. LEVIN. I have no objection.

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

AMENDMENT NO. 3765

(Purpose: To require that the annual report on transfers of militarily sensitive technology to countries and entities of concern include a discussion of actions taken on recommendations of inspectors general contained in previous annual reports)

Mr. WARNER. Mr. President, I call up amendment No. 3765 which requires that the annual report on transfers of militarily sensitive technology to countries of concern include a discussion of actions taken on recommendations of inspectors general contained in previous annual reports.

Mr. President, I believe this amendment has been cleared by the other side.

Mr. LEVIN. It has been cleared.

Mr. WARNER. I urge the Senate to adopt the amendment.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Virginia (Mr. WARNER), for Mr. SMITH of New Hampshire, proposes an amendment numbered 3765.

Mr. WARNER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 415, between lines 2 and 3, insert the following:

**SEC. 1061. ADDITIONAL MATTERS FOR ANNUAL REPORT ON TRANSFERS OF MILITARILY SENSITIVE TECHNOLOGY TO COUNTRIES AND ENTITIES OF CONCERN.**

Section 1402(b) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106-65; 113 Stat. 798) is amended by adding at the end the following:

"(4) The status of the implementation or other disposition of recommendations included in reports of audits by Inspectors General that have been set forth in previous annual reports under this section."

Mr. SMITH of New Hampshire. Mr. President, in section 1402 of the National Defense Authorization Act for Fiscal year 2000, Congress required annual reports by the agency Inspectors General on the transfers of militarily sensitive technology to countries and entities of concern. The first report was issued this spring and focused on so-called "deemed exports" or the release of technical data to a foreign national working in or visiting a federal facility in the United States.

The DOD IG found that Defense Department research centers released militarily valuable information to foreign visitors without ever determining whether export licenses were required. For example if foreign scientists (whether Chinese or Swedish) visit DOD or other federal labs, export licenses are not being requested before information is transferred. The IG found that Defense Department laboratories and research facilities lack procedures for determining whether export licenses are required, and the auditors found that the services were not even aware of the concept of "deemed" exports.

During FY99, DOD never asked for a deemed export license and out of 783 deemed export license applications to the Department of Commerce, only five came from the federal government (2 from NASA and 3 from DOE) despite wide-ranging scientific exchange programs with foreign nationals coming to our labs. (The 778 other licenses were requested by industry.)

The IG's report reveals another in a long line of security weaknesses recently uncovered. Militarily useful technology is leaking out of the U.S. in many different ways—either by direct commercial sale through relaxed export controls or by lax security procedures and information security policies that encourage effective espionage by nations who do not share U.S. interests. Deemed or knowledge exports are becoming ever more important to U.S. national security. It makes little sense for the U.S. to control the sale of weapon systems abroad, if we allow our potential adversaries to obtain the underlying know-how behind our weapons systems technology and manufacturing processes through scientific exchanges and knowledge transfers.

The Inspectors General made a series of recommendations to address the problems with deemed exports policies and procedures in order to better protect U.S. technology. It is anticipated that the IGs will make many more recommendations regarding export control procedures over the next 7 years. Historically, there is always a problem with effective implementation of any oversight recommendation. Without effective follow-up or interest shown by Congress, many IG recommendations are only partially implemented or not at all. The amendment I am offering ensures that Congress will receive a record of the status of agency implementation of recommendations made by the Inspectors General on not only this year's deemed exports report, but on the next 6 annual export control reports. This will serve as a basis for possible legislation next year and in the future if agencies are behind schedule in implementing the IGs' recommendations.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 3765) was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3761

(Purpose: To provide for the concurrent payment to surviving spouses of disability and indemnity compensation and annuities under the Survivor Benefit Plan (SBP))

Mr. LEVIN. Mr. President, on behalf of Senators BRYAN and ROBB, I call up amendment No. 3761 which would provide for concurrent receipt by a surviving spouse of survivor benefit plan benefits and VA dependency and disability compensation.

I believe this amendment has been cleared by the other side.

Mr. WARNER. Mr. President, the Senator is correct. It has been cleared.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Michigan (Mr. LEVIN), for Mr. BRYAN and Mr. ROBB, proposes an amendment numbered 3761.

Mr. LEVIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 236, between lines 6 and 7, insert the following:

**SEC. 646. CONCURRENT PAYMENT TO SURVIVING SPOUSES OF DISABILITY AND INDEMNITY COMPENSATION AND ANNUITIES UNDER SURVIVOR BENEFIT PLAN.**

(a) CONCURRENT PAYMENT.—Section 1450 of title 10, United States Code, is amended by striking subsection (c).

(b) CONFORMING AMENDMENTS.—That section is further amended by striking subsections (e) and (k).

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act, and shall apply with respect to the payment of annuities under the Survivor Benefit Plan under subchapter II of chapter 73 of title 10, United States Code, for months beginning on or after that date.

(d) RECOMPUTATION OF ANNUITIES.—The Secretary of Defense shall provide for the readjustment of any annuities to which subsection (c) of section 1450 of title 10, United States Code, applies as of the date before the date of the enactment of this Act, as if the adjustment otherwise provided for under such subsection (c) had never been made.

(e) PROHIBITION ON RETROACTIVE BENEFITS.—No benefits shall be paid to any person by virtue of the amendments made by this section for any period before the effective date of the amendments as specified in subsection (c).

Mr. WARNER. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 3761) was agreed to.

Mr. LEVIN. Mr. President, I move to reconsider the vote.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

**AMENDMENT NO. 3770, AS MODIFIED**

(Purpose: To improve the ability of the National Laboratories to achieve their missions through collaborations with other institutions)

Mr. LEVIN. Mr. President, on behalf of Senator BINGAMAN, I call up amendment No. 3770 to establish the National Laboratories Partnership Act of 2000, and I send a modification to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Michigan (Mr. LEVIN), for Mr. BINGAMAN, Mr. DOMENICI, Mrs. MURRAY, Mr. GORTON, Mr. THOMPSON, Mr. FRIST,

and Mr. MURKOWSKI, proposes an amendment numbered 3770, as modified.

Mr. LEVIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place in Title XXXI, add the following subtitle:

**Subtitle \_\_\_\_ National Laboratories Partnership Improvement Act**

**SECTION 31 \_\_\_\_ 1. SHORT TITLE.**

This subtitle may be cited as the "National Laboratories Partnership Improvement Act of 2000".

**SEC. 31 \_\_\_\_ 2. DEFINITIONS.**

For purposes of this subtitle—

(1) the term "Department" means the Department of Energy;

(2) the term "departmental mission" means any of the functions vested in the Secretary of Energy by the Department of Energy Organization Act (42 U.S.C. 7101 et seq.) or other law;

(3) the term "institution of higher education" has the meaning given such term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a));

(4) the term "National Laboratory" means any of the following institutions owned by the Department of Energy—

- (A) Argonne National Laboratory;
- (B) Brookhaven National Laboratory;
- (C) Idaho National Engineering and Environmental Laboratory;
- (D) Lawrence Berkeley National Laboratory;
- (E) Lawrence Livermore National Laboratory;
- (F) Los Alamos National Laboratory;
- (G) National Renewable Energy Laboratory;
- (H) Oak Ridge National Laboratory;
- (I) Pacific Northwest National Laboratory;
- or
- (J) Sandia National Laboratory;

(5) the term "facility" means any of the following institutions owned by the Department of Energy—

- (A) Ames Laboratory;
- (B) East Tennessee Technology Park;
- (C) Environmental Measurement Laboratory;
- (D) Fermi National Accelerator Laboratory;
- (E) Kansas City Plant;
- (F) National Energy Technology Laboratory;
- (G) Nevada Test Site;
- (H) Princeton Plasma Physics Laboratory;
- (I) Savannah River Technology Center;
- (J) Stanford Linear Accelerator Center;
- (K) Thomas Jefferson National Accelerator Facility;
- (L) Waste Isolation Pilot Plant;
- (M) Y-12 facility at Oak Ridge National Laboratory; or

(N) other similar organization of the Department designated by the Secretary that engages in technology transfer, partnering, or licensing activities;

(6) the term "nonprofit institution" has the meaning given such term in section 4 of the Stevenson-Wylder Technology Innovation Act of 1980 (15 U.S.C. 3703(5));

(7) the term "Secretary" means the Secretary of Energy;

(8) the term "small business concern" has the meaning given such term in section 3 of the Small Business Act (15 U.S.C. 632);

(9) the term "technology-related business concern" means a for-profit corporation, company, association, firm, partnership, or small business concern that—

- (A) conducts scientific or engineering research,

- (B) develops new technologies,
  - (C) manufactures products based on new technologies, or
  - (D) performs technological services;
- (10) the term "technology cluster" means a concentration of—
- (A) technology-related business concerns;
  - (B) institutions of higher education; or
  - (C) other nonprofit institutions

that reinforce each other's performance through formal or informal relationships;

(11) the term "socially and economically disadvantaged small business concerns" has the meaning given such term in section 8(a)(4) of the Small Business Act (15 U.S.C. 637(a)(4)); and

(12) the term "NNSA" means the National Nuclear Security Administration established by Title XXXII of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106-65).

**SEC. 31 \_\_\_\_ 3. TECHNOLOGY INFRASTRUCTURE PILOT PROGRAM.**

(a) ESTABLISHMENT.—The Secretary, through the appropriate officials of the Department, shall establish a Technology Infrastructure Pilot Program in accordance with this section.

(b) PURPOSE.—The purpose of the program shall be to improve the ability of National Laboratories or facilities to support departmental missions by—

(1) stimulating the development of technology clusters that can support the missions of the National Laboratories or facilities;

(2) improving the ability of National Laboratories or facilities to leverage and benefit from commercial research, technology, products, processes, and services; and

(3) encouraging the exchange of scientific and technological expertise between National Laboratories or facilities and—

- (A) institutions of higher education,
- (B) technology-related business concerns,
- (C) nonprofit institutions; and
- (d) agencies of state, tribal, or local governments—

that can support the missions of the National Laboratories and facilities.

(c) PILOT PROGRAM.—In each of the first three fiscal years after the date of enactment of this section, the Secretary may provide no more than \$10,000,000, divided equally, among no more than ten National Laboratories or facilities selected by the Secretary to conduct Technology Infrastructure Program Pilot Programs.

(d) PROJECTS.—The Secretary shall authorize the Director of each National Laboratory or facility designated under subsection (c) to implement the Technology Infrastructure Pilot Program at such National Laboratory or facility through projects that meet the requirements of subsections (e) and (f).

(e) PROGRAM REQUIREMENTS.—Each project funded under this section shall meet the following requirements:

(1) MINIMUM PARTICIPANTS.—Each project shall at a minimum include—

- (A) a National Laboratories or facility; and
- (B) one of the following entities—
  - (i) a business,
  - (ii) an institution of higher education,
  - (iii) a nonprofit institution, or
  - (iv) an agency of a state, local, or tribal government.

(2) COST SHARING.—

(A) MINIMUM AMOUNT.—Not less than 50 percent of the costs of each project funded under this section shall be provided from non-Federal sources.

(B) QUALIFIED FUNDING AND RESOURCES.—

- (i) The calculation of costs paid by the non-federal sources to a project shall include cash, personnel, services, equipment, and other resources expended on the project.

(ii) Independent research and development expenses of government contractors that qualify for reimbursement under section 31-205-18(e) of the Federal Acquisition Regulations issued pursuant to section 25(c)(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 421(c)(1)) may be credited towards costs paid by non-federal sources to a project, if the expenses meet the other requirements of this section.

(iii) No funds or other resources expended either before the start of a project under this section or outside the project's scope of work shall be credited toward the costs paid by the non-federal sources to the project.

(3) **COMPETITIVE SELECTION.**—All projects where a party other than the Department or a National Laboratory or facility receives funding under this section shall, to the extent practicable, be competitively selected by the National Laboratory or facility using procedures determined to be appropriate by the Secretary or his designee.

(4) **ACCOUNTING STANDARDS.**—Any participant receiving funding under this section, other than a National Laboratory or facility, may use generally accepted accounting principles for maintaining accounts, books, and records relating to the project.

(5) **LIMITATIONS.**—No federal funds shall be made available under this section for—

- (A) construction; or
- (B) any project for more than five years.

(f) **SELECTION CRITERIA.**—

(1) **THRESHOLD FUNDING CRITERIA.**—The Secretary shall authorize the provision of federal funds for projects under this section only when the Director of the National Laboratory or facility managing such a project determines that the project is likely to improve the participating National Laboratory or facility's ability to achieve technical success in meeting departmental missions.

(2) **ADDITIONAL CRITERIA.**—The Secretary shall also require the Director of the National Laboratory or facility managing a project under this section to consider the following criteria in selecting a project to receive federal funds—

(A) the potential of the project to succeed, based on its technical merit, team members, management approach, resources, and project plan;

(B) the potential of the project to promote the development of a commercially sustainable technology cluster, one that will derive most of the demand for its products or services from the private sector, that can support the missions of the participating National Laboratory or facility;

(C) the potential of the project to promote the use of commercial research, technology, products, processes, and services by the participating National Laboratory or facility to achieve its departmental mission or the commercial development of technological innovations made at the participating National Laboratory or facility;

(D) the commitment shown by non-federal organizations to the project, based primarily on the nature and amount of the financial and other resources they will risk on the project;

(E) the extent to which the project involves a wide variety and number of institutions of higher education, nonprofit institutions, and technology-related business concerns that can support the missions of the participating National Laboratory or facility and that will make substantive contributions to achieving the goals of the project;

(F) the extent of participation in the project by agencies of state, tribal, or local governments that will make substantive contributions to achieving the goals of the project; and

(G) the extent to which the project focuses on promoting the development of tech-

nology-related business concerns that are small business concerns or involves such small business concerns substantively in the project.

(3) **SAVINGS CLAUSE.**—Nothing in this subsection shall limit the Secretary from requiring the consideration of other criteria, as appropriate, in determining whether projects should be funded under this section.

(g) **REPORT TO CONGRESS ON FULL IMPLEMENTATION.**—Not later than 120 days after the start of the third fiscal year after the date of enactment of this section, the Secretary shall report to Congress on whether the Technology Infrastructure Program should be continued beyond the pilot stage, and, if so, how the fully implemented program should be managed. This report shall take into consideration the results of the pilot program to date and the views of the relevant Directors of the National laboratories and facilities. The report shall include any proposals for legislation considered necessary by the Secretary to fully implement the program.

#### **SEC. 31—4. SMALL BUSINESS ADVOCACY AND ASSISTANCE.**

(A) **ADVOCACY FUNCTION.**—The Secretary shall direct the Director of each National Laboratory, and may direct the Director of each facility the Secretary determines to be appropriate, to establish a small business advocacy function that is organizationally independent of the procurement function at the National Laboratory or facility. The person or office vested with the small business advocacy function shall—

(1) work to increase the participation of small business concerns, including socially and economically disadvantaged small business concerns, in procurements, collaborative research, technology licensing, and technology transfer activities conducted by the National Laboratory or facility;

(2) report to the Director of the National Laboratory or facility on the actual participation of small business concerns in procurements and collaborative research along with recommendations, if appropriate, on how to improve participation;

(3) make available to small business concerns training, mentoring, and clear, up-to-date information on how to participate in the procurements and collaborative research, including how to submit effective proposals;

(4) increase the awareness inside the National Laboratory or facility of the capabilities and opportunities presented by small business concerns; and

(5) establish guidelines for the program under subsection (b) and report on the effectiveness of such program to the Director of the National Laboratory or facility.

(b) **ESTABLISHMENT OF SMALL BUSINESS ASSISTANCE PROGRAM.**—The Secretary shall direct the Director of each National Laboratory, and may direct the Director of each facility the Secretary determines to be appropriate, to establish a program to provide small business concerns—

(1) assistance directed at making them more effective and efficient subcontractors or suppliers to the National Laboratory or facility; or

(2) general technical assistance, the cost of which shall not exceed \$10,000 per instance of assistance, to improve the small business concern's products or services.

(c) **USE OF FUNDS.**—None of the funds expended under subsection (b) may be used for direct grants to the small business concerns.

#### **SEC. 31—5. TECHNOLOGY PARTNERSHIPS OMBUDSMAN.**

(a) **APPOINTMENT OF OMBUDSMAN.**—The Secretary shall direct the Director of each National Laboratory, and may direct the Direc-

tor of each facility the Secretary determines to be appropriate, to appoint a technology partnership ombudsman to hear and help resolve complaints from outside organizations regarding each laboratory's policies and actions with respect to technology partnerships (including cooperative research and development agreements), patents, and technology licensing. Each ombudsman shall—

(1) be a senior official of the National Laboratory or facility who is not involved in day-to-day technology partnerships, patents, or technology licensing, or, if appointed from outside the laboratory, function as such a senior official; and

(2) have direct access to the Director of the National Laboratory or facility.

(b) **DUTIES.**—Each ombudsman shall—

(1) serve as the focal point for assisting the public and industry in resolving complaints and disputes with the laboratory regarding technology partnerships, patents, and technology licensing;

(2) promote the use of collaborative alternative dispute resolution techniques such as mediation to facilitate the speedy and low-cost resolution of complaints and disputes, when appropriate; and

(3) report, through the Director of the National Laboratory or facility, to the Department annually on the number and nature of complaints and disputes raised, along with the ombudsman's assessment of their resolution, consistent with the protection of confidential and sensitive information.

(c) **DUAL APPOINTMENT.**—A person vested with the small business advocacy function of section 31—4 may also serve as the technology partnership ombudsman.

#### **SEC. 31—6. STUDIES RELATED TO IMPROVING MISSION EFFECTIVENESS, PARTNERSHIPS, AND TECHNOLOGY TRANSFER AT NATIONAL LABORATORIES.**

(a) **STUDIES.**—The Secretary shall direct the Laboratory Operations Board to study and report to him, not later than one year after the date of enactment of this section, on the following topics—

(1) the possible benefits from and need for policies and procedures to facilitate the transfer of scientific, technical, and professional personnel among National Laboratories and facilities; and

(2) the possible benefits from and need for changes in—

(A) the indemnification requirements for patents or other intellectual property licensed from a National Laboratory or facility;

(B) the royalty and fees schedules and types of compensation that may be used for patents or other intellectual property licensed to a small business concern from a National Laboratory or facility;

(C) the licensing procedures and requirements for patents and other intellectual property;

(D) the rights given to a small business concern that has licensed a patent or other intellectual property from a National Laboratory or facility to bring suit against third parties infringing such intellectual property;

(E) the advance funding requirements for a small business concern funding a project at a National Laboratory or facility through a Funds-In-Agreement;

(F) the intellectual property rights allocated to a business when it is funding a project at a National Laboratory or facility through a Fund-In-Agreement; and

(G) policies on royalty payments to inventors employed by a contractor-operated National Laboratory or facility, including those for inventions made under a Funds-In-Agreement.

(b) **DEFINITION.**—For the purpose of this section, the term "Funds-in-Agreement" means a contract between the Department



and non-federal organization where that organization pays the Department to provide a service or material not otherwise available in the domestic private sector.

(c) REPORT TO CONGRESS.—Not later than one month after receiving the report under subsection (a), the Secretary shall transmit the report, along with his recommendations for action and proposals for legislation to implement the recommendations, to Congress.

#### SEC. 31\_\_\_7. OTHER TRANSACTIONS AUTHORITY.

(a) NEW AUTHORITY.—Section 646 of the Department of Energy Organization (42 U.S.C. 7256) is amended by adding at the end the following new subsection:

“(g) OTHER TRANSACTIONS AUTHORITY.—(1) In addition to other authorities granted to the Secretary to enter into procurement contracts, leases cooperative agreements, grants and other similar arrangements, the Secretary may enter into other transactions with public agencies, private organizations, or persons or such terms as the Secretary may deem appropriate in furtherance of basic, (1) In addition to other authorities granted to the Secretary to enter into other transactions with public agencies, private organizations, or persons on such terms as the Secretary may deem appropriate in furtherance of basic, applied, and advanced research now or hereafter vested in the Secretary. Such other transactions shall be subject to the provisions of section 9 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5908).

“(2)(A) the Secretary of Energy shall ensure that—

“(i) To the maximum extent practicable, no transaction entered into under paragraph (1) provides for research that duplicates research being conducted under existing programs carried out by the Department of Energy; and

“(ii) to the extent that the Secretary determines practicable, the funds provided by the Government under a transaction authorized by paragraph (1) do not exceed the total amount provided by other parties to the transaction.

“(B) A transaction authorized by paragraph (1) may be used for a research project when the use of a standard contract, grant, or cooperative agreement for such project is not feasible or appropriate.

“(3)(A) The Secretary shall not disclose any trade secret or commercial or financial information submitted by a non-federal entity under paragraph (1) that is privileged and confidential.

“(B) The Secretary shall not disclose, for five years after the date the information is received, any other information submitted by a non-federal entity under paragraph (1), including any proposal, proposal abstract, document supporting a proposal, business plan, or technical information that is privileged and confidential.

“(C) The Secretary may protect from disclosure, for up to five years, any information developed pursuant to a transaction under paragraph (1) that would be protected from disclosure under section 552(b)(4) of title 5, United States Code, if obtained from a person other than a federal agency.”.

(b) IMPLEMENTATION.—Not later than six months after the date of enactment of this section, the Department shall establish guidelines for the use of other transactions. Other transactions shall be made available, if needed, in order to implement projects funded under section 31\_\_\_3.

#### SEC. 31\_\_\_8. CONFORMANCE WITH NNSA ORGANIZATIONAL STRUCTURE.

All actions taken by the Secretary in carrying out this subtitle with respect to National Laboratories and facilities that are

part of the NNSA shall be through the Administrator for Nuclear Security in accordance with the requirements of Title XXXII of National Defense Authorization Act for Fiscal Year 2000.

#### SEC. 31\_\_\_9. ARCTIC ENERGY.

(a) ESTABLISHMENT.—There is hereby established within the Department of Energy an Office of Arctic Energy.

(b) PURPOSE.—The purposes of the Office of Arctic Energy are—

(1) to promote research, development and deployment of electric power technology that is cost-effective and especially well suited to meet the needs of rural and remote regions of the United States, especially where permafrost is present or located nearby; and

(2) to promote research, development and deployment in such regions of—

(A) enhanced oil recovery technology, including heavy oil recovery, reinjection of carbon and extended reach drilling technologies;

(B) gas-to-liquids technology and liquified natural gas (including associated transportation systems);

(C) small hyroelectric facilities, river turbines and tidal power;

(D) natural gas hydrates, coal bed methane, and shallow bed natural gas; and

(E) alternative energy, including wind, geothermal, and fuel cells.

(c) LOCATION.—The Secretary shall locate the Office of Arctic Energy at a university with special expertise and unique experience in the matters specified in paragraphs 1 and 2 of subsection b.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out activities under this section \$1,000,000 for the fiscal year after the date of enactment of this section.

Mr. BINGAMAN. Mr. President, I am pleased to be joined by Senators DOMENICI, MURRAY, GORTON, THOMPSON, FRIST, and MURKOWSKI in offering this amendment. This amendment, which is based on my bill, S. 1756, will strengthen the ways the Department of Energy's national labs and facilities can collaborate with industry to achieve their mission—something that's increasingly important now that industry funds 70 percent of our national R&D. The labs simply cannot stay on the cutting edge of technology and do their national security and science missions without rich and effective collaborations with industry.

A key provision of this amendment is a three year pilot program, called the Technology Infrastructure Program, authorizing the national labs to promote the development of “technology clusters”—the phenomena seen most famously in Silicon Valley—that will help the labs achieve their national security and science missions. The basic idea is for the labs to harness the innovative power of technology clusters to do their missions by strengthening collaboration in the regions around the labs.

Mr. President, let me explain this a little more. We know from places like Silicon Valley, or our own states, that a special innovative process can get started when enough institutions in an industry or technology come together in one place. For example, if you're interested in Internet businesses, North-

ern Virginia is an excellent place to be. For cars and, I believe, office furniture, you ought to think about Michigan.

Paradoxically, the Internet makes these regional processes more important, not less. Why? Because when it's cheap and easy to move information around, less mobile things like your labor force and special research facilities and how they interact with each other will be what makes the difference in how well you turn information into innovation. Consider how Silicon Valley has not dissipated, despite its many high costs. And, if companies move from there, they may go to Austin or Northern Virginia, but not just anywhere they can plug in a modern.

Now, the Technology Infrastructure Program will support projects that will help the labs do their missions by strengthening the institutions and relationships that aid collaborative innovation. Every project funded under this program must, as a threshold test, show that it will help a lab “achieve technical success in meeting” DOE missions. Here are some possible example projects: a small business incubator or a research park by the lab; a special training program for technicians in a technology used by the lab and local businesses; or a specialized design and research facility at a local university in a technology of interest to the lab and local businesses.

I think you can see from my examples that it would be hard to link these sorts of projects to the labs' missions unless they are done near the labs. So, that's what will happen in most cases. The money authorized for the pilot program is modest—no more than \$10 million a year. But, I believe it could well prove to have an immodest result.

Here is another way to think about what we're trying to do with the Technology Infrastructure Program. Given the mission of the labs, the reason they exist as organizations with all sorts of sophisticated equipment and scientists is that they together in one place people working on related subjects, so they can collaborate with each other and share special facilities.

Well, the Technology Infrastructure Program will help extend that collaboration to outside a lab's gates, to firms and other institutions that are not part of the lab but that can help it do its mission better because they're nearby. Because the projects will be cost shared, DOE can save the taxpayer's money while effectively building out the labs beyond their gates. And, because the projects will help the labs leverage commercial technology, the labs will get more cutting edge technology at a lower cost.

In short, the labs' interest in collaborating with industry to achieve their missions means that they also have an interest in promoting a strong network of local collaborators.

Other provisions of this amendment will: create a small business advocate at the labs to get small businesses

more involved in lab research and procurement; create an ombudsman at the labs to informally settle disputes over technology partnerships; establish a series of studies to investigate other ways to improve collaboration between the labs and industry; give DOE a highly flexible "other transactions" research authority like the one DoD has; and establish a DOE Office of Arctic Energy to focus on the special energy problems and opportunities in Arctic regions of the United States.

Of course, I'm well aware this amendment would be good for the communities around the labs. But, just as those of us with labs in our states have seen that what's good for the labs can be good for our communities, what's good for our communities can also be good for our labs.

In summary, this amendment takes the next steps in improving the ability of DOE's national labs to collaborate with academia and industry, and I think it will prove of great benefit to our national security, the labs, and the labs' communities. I greatly appreciate the support of Senators WARNER and LEVIN for including it in this bill.

Mr. WARNER. The amendment has been cleared. I urge its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3770), as modified, was agreed to.

Mr. LEVIN. Mr. President, I move to reconsider the vote.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

#### AMENDMENT NO. 3739, AS MODIFIED

(Purpose: To improve the modifications to the counterintelligence polygraph program of the Department of Energy)

Mr. WARNER. Mr. President, on behalf of myself, Senators SHELBY and BRYAN, I call up amendment No. 3739 to alter the committee provision regarding the Department of Energy polygraph requirements, and I send a modification to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Virginia (Mr. WARNER), for Mr. SHELBY and Mr. BRYAN, proposes an amendment numbered 3739, as modified.

Mr. WARNER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 595, strike line 23 and all that follows through page 597, line 3, and insert the following:

"(2) Subject to paragraph (3), the Secretary may, after consultation with appropriate security personnel, waive the applicability of paragraph (1) to a covered person—

"(A) if—

"(i) the Secretary determines that the waiver is important to the national security interests of the United States;

"(ii) the covered person has an active security clearance; and

"(iii) the covered person acknowledges in a signed writing that the capacity of the covered person to perform duties under a high-risk program after the expiration of the waiver is conditional upon meeting the requirements of paragraph (1) within the effective period of the waiver;

"(B) if another Federal agency certifies to the Secretary that the covered person has completed successfully a full-scope or counterintelligence-scope polygraph examination during the 5-year period ending on the date of the certification; or

"(C) if the Secretary determines, after consultation with the covered person and appropriate medical personnel, that the treatment of a medical or psychological condition of the covered person should preclude the administration of the examination.

"(3)(A) The Secretary may not commence the exercise of the authority under paragraph (2) to waive the applicability of paragraph (1) to any covered persons until 15 days after the date on which the Secretary submits to the appropriate committees of Congress a report setting forth the criteria to be utilized by the Secretary for determining when a waiver under paragraph (2)(A) is important to the national security interests of the United States. The criteria shall include an assessment of counterintelligence risks and programmatic impacts.

"(B) Any waiver under paragraph (2)(A) shall be effective for not more than 120 days.

"(C) Any waiver under paragraph (2)(C) shall be effective for the duration of the treatment on which such waiver is based.

"(4) The Secretary shall submit to the appropriate committees of Congress on a semi-annual basis a report on any determinations made under paragraph (2)(A) during the 6-month period ending on the date of such report. The report shall include a national security justification for each waiver resulting from such determinations.

"(5) In this subsection, the term 'appropriate committees of Congress' means the following:

"(A) The Committee on Armed Services and the Select Committee on Intelligence of the Senate.

"(B) The Committee on Armed Services and the Permanent Select Committee on Intelligence of the House of Representatives.

"(6) It is the sense of Congress that the waiver authority in paragraph (2) not be used by the Secretary to exempt from the applicability of paragraph (1) any covered persons in the highest risk categories, such as persons who have access to the most sensitive weapons design information and other highly sensitive programs, including special access programs.

"(7) The authority under paragraph (2) to waive the applicability of paragraph (1) to a covered person shall expire on September 30, 2002."

Mr. WARNER. Mr. President, I understand the amendment has been cleared on both sides.

Mr. LEVIN. Mr. President, it has been cleared on this side.

Mr. WARNER. I urge its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3739), as modified, was agreed to.

Mr. LEVIN. Mr. President, I move to reconsider the vote.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

#### AMENDMENT NO. 3259, AS MODIFIED

(Purpose: To coordinate and facilitate the development by the Department of Defense of directed energy technologies, systems, and weapons)

Mr. WARNER. Mr. President, on behalf of Senator DOMENICI, I call up amendment No. 3259 relating to directed energy research and development, and I send a modification to the desk which would provide for the coordination and management of directed energy technologies and systems in the Department of Defense.

It is my understanding that this amendment has been cleared on the other side.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Virginia (Mr. WARNER), for Mr. DOMENICI, proposes an amendment numbered 3259, as modified.

Mr. WARNER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 353, between lines 15 and 16, insert the following:

#### SEC. 914. COORDINATION AND FACILITATION OF DEVELOPMENT OF DIRECTED ENERGY TECHNOLOGIES, SYSTEMS, AND WEAPONS.

(a) FINDINGS.—Congress makes the following findings:

(1) Directed energy systems are available to address many current challenges with respect to military weapons, including offensive weapons and defensive weapons.

(2) Directed energy weapons offer the potential to maintain an asymmetrical technological edge over adversaries of the United States for the foreseeable future.

(3) It is in the national interest that funding for directed energy science and technology programs be increased in order to support priority acquisition programs and to develop new technologies for future applications.

(4) It is in the national interest that the level of funding for directed energy science and technology programs correspond to the level of funding for large-scale demonstration programs in order to ensure the growth of directed energy science and technology programs and to ensure the successful development of other weapons systems utilizing directed energy systems.

(5) The industrial base for several critical directed energy technologies is in fragile condition and lacks appropriate incentives to make the large-scale investments that are necessary to address current and anticipated Department of Defense requirements for such technologies.

(6) It is in the national interest that the Department of Defense utilize and expand upon directed energy research currently being conducted by the Department of Energy, other Federal agencies, the private sector, and academia.

(7) It is increasingly difficult for the Federal Government to recruit and retain personnel with skills critical to directed energy technology development.

(8) The implementation of the recommendations contained in the High Energy Laser Master Plan of the Department of Defense is in the national interest.

(9) Implementation of the management structure outlined in the Master Plan will

facilitate the development of revolutionary capabilities in directed energy weapons by achieving a coordinated and focused investment strategy under a new management structure featuring a joint technology office with senior-level oversight provided by a technology council and a board of directors.

(b) **IMPLEMENTATION OF HIGH ENERGY LASER MASTER PLAN.**—(1) The Secretary of Defense shall implement the management and organizational structure specified in the Department of Defense High Energy Laser Master Plan of March 24, 2000.

(2) The Secretary shall locate the Joint Technology Office specified in the High Energy Laser Master Plan at a location determined appropriate by the Secretary, not later than October 1, 2000.

(3) In determining the location of the Joint Technology Office, the Secretary shall, in consultation with the Deputy Under Secretary of Defense for Science and Technology, evaluate whether to locate the Office at a site at which occur a substantial proportion of the directed energy research, development, test, and evaluation activities of the Department of Defense.

(c) **ENHANCEMENT OF INDUSTRIAL BASE.**—(1) The Secretary of Defense shall develop and undertake initiatives, including investment initiatives, for purposes of enhancing the industrial base for directed energy technologies and systems.

(2) Initiatives under paragraph (1) shall be designed to—

(A) stimulate the development by institutions of higher education and the private sector of promising directed energy technologies and systems; and

(B) stimulate the development of a workforce skilled in such technologies and systems.

(d) **ENHANCEMENT OF TEST AND EVALUATION CAPABILITIES.**—The Secretary of Defense shall consider modernizing the High Energy Laser Test Facility at White Sands Missile Range, New Mexico, in order to enhance the test and evaluation capabilities of the Department of Defense with respect to directed energy weapons.

(e) **COOPERATIVE PROGRAMS AND ACTIVITIES.**—The Secretary of Defense shall evaluate the feasibility and advisability of entering into cooperative programs or activities with other Federal agencies, institutions of higher education, and the private sector, including the national laboratories of the Department of Energy, for the purpose of enhancing the programs, projects, and activities of the Department of Defense relating to directed energy technologies, systems, and weapons.

(f) **FUNDING FOR FISCAL YEAR 2001.**—(1) Of the amount authorized to be appropriated by section 201(4) for research, development, test, and evaluation, Defense-wide, up to \$50,000,000 may be available for science and technology activities relating to directed energy technologies, systems, and weapons.

(2) The Secretary of Defense shall establish procedures for the allocation of funds available under paragraph (1) among activities referred to in that paragraph. In establishing such procedures, the Secretary shall provide for the competitive selection of programs, projects, and activities to be carried out by the recipients of such funds.

(g) **DIRECTED ENERGY DEFINED.**—In this section, the term “directed energy”, with respect to technologies, systems, or weapons, means technologies, systems, or weapons that provide for the directed transmission of energies across the energy and frequency spectrum, including high energy lasers and high power microwaves.

Mr. WARNER. Mr. President, I urge its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3259), as modified, was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote.

Mr. LEVIN. Move to lay that motion on the table.

The motion to lay on the table was agreed to.

#### AMENDMENT NO. 3760, AS MODIFIED

(Purpose: To expand and enhance United States efforts in the Russian nuclear complex to expedite the containment of nuclear expertise that presents a proliferation threat)

Mr. WARNER. Mr. President, on behalf of Senators DOMENICI, LEVIN, LUGAR, BIDEN, BINGAMAN, CRAIG, THOMPSON, HAGEL, and CONRAD, I send amendment No. 3760 to the desk, which expands and strengthens U.S. efforts in the Russian nuclear weapons complex, and I send a modification to the desk.

The PRESIDING OFFICER (Mr. AL-LARD). The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER], for Mr. DOMENICI, for himself, Mr. LEVIN, Mr. LUGAR, Mr. BIDEN, Mr. BINGAMAN, Mr. CRAIG, Mr. THOMPSON, Mr. HAGEL, and Mr. CONRAD, proposes an amendment numbered 3760, as modified.

The amendment, as modified, is as follows:

On page 610, between lines 13 and 14, insert the following:

#### Subtitle F—Russian Nuclear Complex Conversion

##### SEC. 3191. SHORT TITLE.

This subtitle may be cited as the “Russian Nuclear Weapons Complex Conversion Act of 2000”.

##### SEC. 3192. FINDINGS.

Congress makes the following findings:

(1) The Russian nuclear weapons complex has begun closure and complete reconfiguration of certain weapons complex plants and production lines. However, this work is at an early stage. The major impediments to downsizing have been economic and social conditions in Russia. Little information about this complex is shared, and 10 of its most sensitive cities remain closed. These cities house 750,000 people and employ approximately 150,000 people in nuclear military facilities. Although the Russian Federation Ministry of Atomic Energy has announced the need to significantly downsize its workforce, perhaps by as much as 50 percent, it has been very slow in accomplishing this goal. Information on the extent of any progress is very closely held.

(2) The United States, on the other hand, has significantly downsized its nuclear weapons complex in an open and transparent manner. As a result, an enormous asymmetry now exists between the United States and Russia in nuclear weapon production capacities and in transparency of such capacities. It is in the national security interest of the United States to assist the Russian Federation in accomplishing significant reductions in its nuclear military complex and in helping it to protect its nuclear weapons, nuclear materials, and nuclear secrets during such reductions. Such assistance will accomplish critical nonproliferation objectives and provide essential support towards future arms reduction agreements. The Russian

Federation's program to close and reconfigure weapons complex plants and production lines will address, if it is implemented in a significant and transparent manner, concerns about the Russian Federation's ability to quickly reconstitute its arsenal.

(3) Several current programs address portions of the downsizing and nuclear security concerns. The Nuclear Cities Initiative was established to assist Russia in creating job opportunities for employees who are not required to support realistic Russian nuclear security requirements. Its focus has been on creating commercial ventures that can provide self-sustaining jobs in three of the closed cities. The current scope and funding of the program are not commensurate with the scale of the threats to the United States sought to be addressed by the program.

(4) To effectively address threats to United States national security interests, progress with respect to the nuclear cities must be expanded and accelerated. The Nuclear Cities Initiative has laid the groundwork for an immediate increase in investment which offers the potential for prompt risk reduction in the cities of Sarov, Snezhinsk, and Zheleznogorsk, which house four key Russian nuclear facilities. Furthermore, the Nuclear Cities Initiative has made considerable progress with the limited funding available. However, to gain sufficient advocacy for additional support, the program must demonstrate—

(A) rapid progress in conversion and restructuring; and

(B) an ability for the United States to track progress against verifiable milestones that support a Russian nuclear complex consistent with their future national security requirements.

(5) Reductions in the nuclear weapons-grade material stocks in the United States and Russia enhance prospects for future arms control agreements and reduce concerns that these materials could lead to proliferation risks. Confidence in both nations will be enhanced by knowledge of the extent of each nation's stockpiles of weapons-grade materials. The United States already makes this information public.

(6) Many current programs contribute to the goals stated herein. However, the lack of programmatic coordination within and among United States Government agencies impedes the capability of the United States to make rapid progress. A formal single point of coordination is essential to ensure that all United States programs directed at cooperative threat reduction, nuclear materials reduction and protection, and the downsizing, transparency, and nonproliferation of the nuclear weapons complex effectively mitigate the risks inherent in the Russian Federation's military complex.

(7) Specialists in the United States and the former Soviet Union trained in nonproliferation studies can significantly assist in the downsizing process while minimizing the threat presented by potential proliferation of weapons materials or expertise.

##### SEC. 3193. EXPANSION AND ENHANCEMENT OF NUCLEAR CITIES INITIATIVE.

(a) **IN GENERAL.**—The Secretary of Energy shall, in accordance with the provisions of this section, take appropriate actions to expand and enhance the activities under the Nuclear Cities Initiative in order to—

(1) assist the Russian Federation in the downsizing of the Russian Nuclear Complex; and

(2) coordinate the downsizing of the Russian Nuclear Complex under the Initiative with other United States nonproliferation programs.

(b) **ENHANCED USE OF MINATOM TECHNOLOGY AND RESEARCH AND DEVELOPMENT SERVICES.**—In carrying out actions under

this section, the Secretary of Energy shall facilitate the enhanced use of the technology, and the research and development services, of the Russia Ministry of Atomic Energy (MINATOM) by—

(1) fostering the commercialization of peaceful, non-threatening advanced technologies of the Ministry through the development of projects to commercialize research and development services for industry and industrial entities; and

(2) authorizing the Department of Energy, and encouraging other departments and agencies of the United States Government, to utilize such research and development services for activities appropriate to the mission of the Department, and such departments and agencies, including activities relating to—

(A) nonproliferation (including the detection and identification of weapons of mass destruction and verification of treaty compliance);

(B) global energy and environmental matters; and

(C) basic scientific research of benefit to the United States.

(C) ACCELERATION OF NUCLEAR CITIES INITIATIVE.—(1) In carrying out actions under this section, the Secretary of Energy shall accelerate the Nuclear Cities Initiative by implementing, as soon as practicable after the date of the enactment of this Act, programs at the nuclear cities referred to in paragraph (2) in order to convert significant portions of the activities carried out at such nuclear cities from military activities to civilian activities.

(2) The nuclear cities referred to in this paragraph are the following:

(A) Sarov (Arzamas-16).

(B) Snezhinsk (Chelyabinsk-70).

(C) Zheleznogorsk (Krasnoyarsk-26).

(3) To advance nonproliferation and arms control objectives, the Nuclear Cities Initiative is encouraged to begin planning for accelerated conversion, commensurate with available resources, in the remaining nuclear cities.

(4) Before implementing a program under paragraph (1), the Secretary shall establish appropriate, measurable milestones for the activities to be carried out in fiscal year 2001.

(d) PLAN FOR RESTRUCTURING THE RUSSIAN NUCLEAR COMPLEX.—(1) The President, acting through the Secretary of Energy, is urged to enter into negotiations with the Russian Federation for purposes of the development by the Russian Federation of a plan to restructure the Russian Nuclear Complex in order to meet changes in the national security requirements of Russia by 2010.

(2) The plan under paragraph (1) should include the following:

(A) Mechanisms to achieve a nuclear weapons production capacity in Russia that is consistent with the obligations of Russia under current and future arms control agreements.

(B) Mechanisms to increase transparency regarding the restructuring of the nuclear weapons complex and weapons-surplus nuclear materials inventories in Russia to the levels of transparency for such matters in the United States, including the participation of Department of Energy officials with expertise in transparency of such matters.

(C) Measurable milestones that will permit the United States and the Russian Federation to monitor progress under the plan.

(e) ENCOURAGEMENT OF CAREERS IN NON-PROLIFERATION.—(1) In carrying out actions under this section, the Secretary of Energy shall carry out a program to encourage students in the United States and in the Russian Federation to pursue a career in an area relating to nonproliferation.

(2) Of the amounts under subsection (f), up to \$2,000,000 shall be available for purposes of the program under paragraph (1).

(f) FUNDING FOR FISCAL YEAR 2001.—(1) There is hereby authorized to be appropriated for the Department of Energy for fiscal year 2001, \$30,000,000 for purposes of the Nuclear Cities Initiative, including activities under this section.

(2) The amount authorized to be appropriated by section 101(5) for other procurement for the Army is hereby reduced by \$12,500,000, with the amount of the reduction to be allocated to the Close Combat Tactical Trainer.

(g) LIMITATION ON AVAILABILITY OF FUNDS FOR NUCLEAR CITIES INITIATIVE.—No amount in excess of \$17,500,000 authorized to be appropriated for the Department of Energy for fiscal year 2001 for the Nuclear Cities Initiative may be obligated or expended for purposes of providing assistance under the Initiative until 30 days after the date on which the Secretary of Energy submits to the Committees on Armed Services of the Senate and House of Representatives the following:

(1) A copy of the written agreement between the United States Government and the Government of the Russian Federation which provides that Russia will close some of its facilities engaged in nuclear weapons assembly and disassembly work within five years in exchange for participation in the Initiative.

(2) A certification by the Secretary that—  
(A) project review procedures for all projects under the Initiative have been established and implemented; and

(B) such procedures will ensure that any scientific, technical, or commercial project initiated under the Initiative—

(i) will not enhance the military or weapons of mass destruction capabilities of Russia;

(ii) will not result in the inadvertent transfer or utilization of products or activities under such project for military purposes;

(iii) will be commercially viable within three years of the date of the certification; and

(iv) will be carried out in conjunction with an appropriate commercial, industrial, or other nonprofit entity as partner.

(3) A report setting forth the following:

(A) The project review procedures referred to in paragraph (2)(A).

(B) A list of the projects under the Initiative that have been reviewed under such project review procedures.

(C) A description for each project listed under subparagraph (B) of the purpose, life-cycle, out-year budget costs, participants, commercial viability, expected time for income generation, and number of Russian jobs created.

(h) SENSE OF CONGRESS ON FUNDING FOR FISCAL YEARS AFTER FISCAL YEAR 2001.—It is the sense of Congress that the availability of funds for the Nuclear Cities Initiative in fiscal years after fiscal year 2001 should be contingent upon—

(1) demonstrable progress in the programs carried out under subsection (c), as determined utilizing the milestones required under paragraph (4) of that subsection; and

(2) the development and implementation of the plan required by subsection (d).

#### SEC. 3194. SENSE OF CONGRESS ON THE ESTABLISHMENT OF A NATIONAL COORDINATOR FOR NONPROLIFERATION MATTERS.

It is the sense of Congress that—

(1) there should be a National Coordinator for Nonproliferation Matters to coordinate—

(A) the Nuclear Cities Initiative;

(B) the Initiatives for Proliferation Prevention program;

(C) the Cooperative Threat Reduction programs;

(D) the materials protection, control, and accounting programs; and

(E) the International Science and Technology Center; and

(2) the position of National Coordinator for Nonproliferation Matters should be similar, regarding nonproliferation matters, to the position filled by designation of the President under section 1441(a) of the Defense Against Weapons of Mass Destruction Act of 1996 (title XIV of Public Law 104-201; 110 Stat. 2727; 50 U.S.C. 2351(a)).

#### SEC. 3195. DEFINITIONS.

In this subtitle:

(1) NUCLEAR CITY.—The term “nuclear city” means any of the closed nuclear cities within the complex of the Russia Ministry of Atomic Energy (MINATOM) as follows:

(A) Sarov (Arzamas-16).

(B) Zarechnyy (Penza-19).

(C) Novouralsk (Sverdlovsk-44).

(D) Lesnoy (Sverdlovsk-45).

(E) Ozersk (Chelyabinsk-65).

(F) Snezhinsk (Chelyabinsk-70).

(G) Trechgor'nyy (Zlatoust-36).

(H) Seversk (Tomsk-7).

(I) Zhel'eznogorsk (Krasnoyarsk-26).

(J) Zelenogorsk (Krasnoyarsk-45).

(2) RUSSIAN NUCLEAR COMPLEX.—The term “Russian Nuclear Complex” refers to all of the nuclear cities.

Mr. WARNER. This amendment has been cleared on both sides. I ask unanimous consent my name be added as a cosponsor.

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

The question is on agreeing to the amendment.

The amendment (No. 3760), as modified, was agreed to.

Mr. WARNER. I move to reconsider the vote.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WARNER. Mr. President, I wish to advise the Senate that the amendment by Senator BENNETT and proposed by Senator THOMPSON will be initiated at 7:30 this evening.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WARNER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. WARNER. Mr. President, I am advised by the proponents and, indeed, the opponents of the amendment referred to as the Bennett amendment, that Senator BENNETT from Utah wishes to address the Senate with regard to this amendment at this time.

The PRESIDING OFFICER. The Senator from Utah.

AMENDMENT NO. 3185

(Purpose: To provide for an adjustment of composite theoretical performance levels of high performance computers)

Mr. BENNETT. Mr. President, there is an amendment at the desk which I call up, amendment No. 3185.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Utah [Mr. BENNETT], for himself and Mr. REID, proposes an amendment numbered 3185

Mr. BENNETT. I ask unanimous consent reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 462, between lines 2 and 3, insert the following:

**SEC. 1210. ADJUSTMENT OF COMPOSITE THEORETICAL PERFORMANCE LEVELS OF HIGH PERFORMANCE COMPUTERS.**

(a) LAYOVER PERIOD FOR NEW PERFORMANCE LEVELS.—Section 1211 of the National Defense Authorization Act for Fiscal Year 1998 (50 U.S.C. App. 2404 note) is amended—

(1) in the second sentence of subsection (d), by striking "180" and inserting "60"; and

(2) by adding at the end the following:

"(g) CALCULATION OF 60-DAY PERIOD.—The 60-day period referred to in subsection (d) shall be calculated by excluding the days on which either House of Congress is not in session because of an adjournment of the Congress sine die."

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to any new composite theoretical performance level established for purposes of section 1211(a) of the National Defense Authorization Act for Fiscal Year 1998 that is submitted by the President pursuant to section 1211(d) of that Act on or after the date of the enactment of this Act.

Mr. BENNETT. Mr. President, we have had a lot of discussion about this amendment. My understanding is that the order is for an hour equally divided between the proponents and the opponents of the amendment. I do not believe that time will be necessary. I certainly do not intend to take the time to explain all of the aspects of the amendment because I did so in a previous floor speech several weeks ago. I think, in the interest of moving things along tonight, I should just say to any who are interested in the issue to go back to my earlier floor speech, which was complete with charts and visual aids, and all of the other bells and whistles that we sometimes bring to the floor, and read that, and you will see how I feel about this amendment.

The Senator from Tennessee, Mr. THOMPSON, had great concerns about the issue we are discussing. This amendment has to do with export licenses for technical material, most particularly computer material that might be exported in such a way as to allow some foreign power to gain a computer capability that would enhance their military power against the United States.

Senator THOMPSON and I have been talking about this for weeks, if maybe not as long as a month or so, in an effort to find some accommodation to the concerns that he very legitimately raises about our national security and at the same time recognizes the reality of the marketplace, which is that these chips, if they are not exported from the United States, will get to the world market from Japan, Germany, Holland, and in one instance China itself.

We would like to make sure the international market is as dominated by American chips as we can possibly get it to be, which is why we are trying to shorten all of the time connected with this. Senator THOMPSON, who has his own concerns about it, has been asking that we not shorten the period as drastically as this amendment would do.

If I were offering the amendment entirely in a vacuum—that is, a legislative vacuum—I would like the amount shortened from 180 days to 30 days for the congressional action with respect to these items because I think 30 days is long enough.

I point out, at the moment, if we are going to export an F-16 to some foreign government, Congress has only 30 days to comment.

Some of these computers, to put it in the context of how rapidly things are moving, can be purchased at Toys "R" Us right now and be available for some foreign agent, if he wanted to come into the country, to tuck under his arm, walk through customs, go home to his country, and have a computer powerful enough in that toy that could do things that as recently as 3 years ago would seem miraculous.

So I have abandoned my 30-day desires because of the very significant legislative situation in which we find ourselves.

The 60-day requirement, which is in my amendment, has passed the House of Representatives by a vote of 415-8. I am told that if one comma is changed in the amendment that passes the Senate from the form in which it passed the House, it will run into problems in conference. So because I do not want it to run into problems in conference—I want it done—I have decided, as has the Senator from Nevada, Mr. REID, that we will forgo our desire for the 30-day period. We will endorse the 60-day period because that is in the House bill.

Now, the Senator from Tennessee has some legitimate concerns about the way this is done. I have discussed with him privately and now pledge to him publicly that I will work with him to find a way to inject the General Accounting Office into the congressional review process, something that is not called for at the moment. It is entirely haphazard at the moment. GAO gets involved if some Member of Congress asks them to get involved but not if that request is not made.

I am more than willing to say to the Senator from Tennessee that I will work with him to try to inject the GAO into the process, but I do believe that the proper and prudent thing for us to do tonight is to adopt the amendment in exactly the same language as it passed the House and thereby make sure it is not a conferenceable item and is something we will be certain will take place when the conference report is finally approved.

With that, Mr. President, I have nothing further to say, unless other Members of this body want to talk

about the specific merits of it. I thank my friend from Tennessee for his willingness to work out the essential elements of this and pledge to him again publicly, as I have done privately, that I will work with him to see that we do our very best to accomplish the goal he seeks.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, before he does leave the floor, I express my appreciation to the Senator from Utah. He has been a real leader on this issue. It has been a pleasure to work with him. It seems we have been working on this for many months, which we have. In fact, it has been nearly a year. This is a very important time in the history of this country when this legislation will pass. I hope it will pass tomorrow.

Based upon that, Mr. President, I ask for the yeas and nays on the amendment. It is my understanding the vote is going to be set for 11:30 tomorrow.

The PRESIDING OFFICER (Mr. L. CHAFEE). Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. REID. Mr. President, I ask unanimous consent that Senators BOXER, BAUCUS, KERRY, REID of Nevada—I am already on the amendment—BENNETT, DASCHLE, BINGAMAN, ROBB, KENNEDY, CLELAND, and MURRAY be added as cosponsors of this amendment.

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

Mr. REID. Mr. President, before the Senator from Utah leaves the floor, I want to tell him how much I appreciate his work on this issue. The work that has been done is very important.

I say to the Senator from Tennessee, he is a real advocate. He has worked very hard. He has a different view as to what should happen. He has formulated these ideas with great study and his staff has been easy to work with, but in this instance we believe we are right and that he is not quite right.

Based upon his advocacy, I, along with the Senator from Utah, am willing to work with the Senator from Tennessee. He has an idea that doesn't shorten the time whatsoever but would add another element; namely the General Accounting Office. Senator BENNETT has pledged that he would work with him on this issue, and I do so publicly also. We will try to find another vehicle to work with him on his legislation.

More than 50 percent of America's companies' revenues come from overseas sales. Also, more than 60 percent of the market for multiprocessor systems is outside the United States. What we are talking about is allowing the United States to maintain its position as a paramount producer of computers. That is what it amounts to. Things are changing very rapidly.

I can remember a few years ago I went to Clark County, in Las Vegas, NV, to the third floor of the courthouse. The entire third floor was the

computer processing system for Clark County. Then Clark County was much smaller than it is now. Today the work that is done on that entire third floor could be done with a personal computer, a laptop; things have changed so rapidly. That is why we need to allow changes.

This little computer that I carry around, this "palm," as they call it, does remarkable things. I can store in this basically the Las Vegas phonebook. It has a calculator. It has numerous features that were impossible 2 years ago. It is now possible. That is what this amendment is all about: to allow the American computer industry to remain competitive and to allow sales overseas.

I appreciate the work of Senator PHIL GRAMM of Texas. He has worked on this matter for many months, along with Senator ENZI and Senator JOHNSON. I appreciate their support on this legislation.

The amendment, which has broad support from the high-tech industry and from a majority of the Members of the Senate, simply shortens the congressional review period for high performance computers from 180 days to 60 days and guarantees that the counting of those days not be tolled when Congress adjourns sine die.

We are operating under cold war era regulations and if we want to remain the world leader in computer manufacturing and in the high-tech arena, we must make this change immediately.

I have worked for the last year and a half with Senators GRAMM, ENZI, and JOHNSON on the Export Administration Act, but a few members of the majority have succeeded in blocking its passage. That bill is not moving and therefore, Senator BENNETT and I would like to simply pass this portion of the Export Administration Act to provide some temporary relief. The congressional review period for computer exports is six times longer than the review of munitions.

In February, the President, at my urging and the urging of others, proposed changes to the export controls on high performance computers, but because of the 180-day review period, these changes have yet to be implemented and U.S. companies are losing foreign market share to Chinese and other foreign competitors as we speak. This is already July and a February proposed change, which was appropriate at the time, and is nearly outdated now, has yet to go into effect.

This amendment is a bipartisan effort and one that we need to pass. Congress is stifling U.S. companies' growth and we can't stand for it, I can't stand for it. This underscores another point: the importance of exports to the U.S. computer industry. More than 50 percent of America's companies revenues come from overseas sales. If we give the international market to foreign competition in the short term, we will never get it back in the long term, and not only our economy, but our national security will founder.

A strong economy and a strong U.S. military depend on our leadership. U.S. companies have to be given the opportunity to compete worldwide in order to continue to lead the world in technological advances.

According to the Computer Coalition for Responsible Exports, U.S. computer export regulations are the most stringent in the world and give foreign competitors a head start. More than 60 percent of the market for multiprocessor systems is outside of the U.S. The U.S. industry faces stiff competition, as foreign governments allow greater export flexibility.

The current export control system interferes with legitimate U.S. exports because it does not keep pace with technology. The MTOPS level of microprocessors increased nearly 5-fold from 1998 to 1999—and today's levels will more than double when the Intel Itanium, I-Tanium, chip is introduced in the middle of this year. New export control thresholds will not take effect until the completion of the required six month waiting period—by then, the thresholds will be obsolete and American companies will have lost considerable market share in foreign countries.

The current export control system does not protect U.S. national security. The ability of America's defense system to maintain its technological advantage relies increasingly on the U.S. computer industry's ability to be at the cutting edge of technology. It does not make sense to impose a 180-day waiting period for products that have a 3-month innovation cycle and are widely available in foreign countries. Right now American companies are forbidden from selling computers in tier three countries while foreign competitors are free to do so.

As I indicated earlier, the removal of items from export controls imposed by the Munitions List, such as tanks, rockets, warships, and high-performance aircraft, requires only a 30-day waiting period. The sale of sensitive weapons, such as tanks, rockets, warships and high-performance aircraft, under the Foreign Military Sales program requires only a 30-day congressional review period. One hundred eighty days is too long.

The new Intel microprocessor, the Itanium, is expected to be available sometime this summer with companies such as NEW, Hitachi and Siemens already signed on to use the microprocessor. The most recent export control announcement made by the Administration on February 1 will therefore be out of date in less than six months.

Lastly—a review period, comparable to that applied to other export control and national security regimes, will still give Congress adequate time to review national security ramifications of any changes in the U.S. computer export control regime. I urge my colleagues to support this amendment and to allow our country's computer companies to compete with their foreign

competitors and thereby continue to drive our thriving economy.

I believe that 30 days is the proper amount of time for the review period, but have agreed, with my colleague from Utah, to offer the identical language that passed in the House by a vote of 415 to 8. Less stringent language passed out of committee in the Senate, and there is no reason that this shouldn't pass with a large majority.

Mr. President, I ask unanimous consent that a letter from the U.S. Chamber of Commerce endorsing this legislation be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CHAMBER OF COMMERCE OF THE  
UNITED STATES OF AMERICA,  
Washington, DC, June 13, 2000.

TO MEMBERS OF THE UNITED STATES SENATE: The U.S. Chamber of Commerce, the world's largest business federation, representing more than three million businesses and organizations of every size, sector and region, offers our support of Senator Harry Reid's (D-NV) Amendment 3292 to the Defense Appropriations FY 2001 bill, which changes the regulations governing the export of high-speed computers. This measure will be considered today by the U.S. Senate.

Section 1211 of H.R. 1119, the "National Defense Authorization Act For Fiscal Year 1998" (Public Law 105-85) imposed new restrictions on exports of certain mid-level computers to various countries, even though similar technology is readily available in the international market place. (Mid-level is defined as operating at over 2,000 million theoretical operations per second (MTOPS). Section 1211 also authorized the president to establish a different, higher performance threshold for these restrictions but required a 180-day delay in the implementation of this new threshold, pending Congressional review of a report presenting the justification for the new threshold.

Our concern is that these computers—often mis-labeled "supercomputers" or "high-performance computers"—incorporate technology that is already in fairly wide use here and abroad. As with so many other efforts to unilaterally control the availability of relatively common technology, the result of this provision was another competitive disadvantage for U.S. firms in the global markets.

Earlier this month the House of Representatives approved similar legislation that reduced from 180 to 60 days the time frame for Congress to review the administration's justification for any changes in the performance thresholds for controlling these computer exports. This is important because the 180-day period often exceeds the life cycle of the computers and is longer than the congressional review period for removing various weapons from a list of defense items subject to export controls. While allowing time to address national security issues, this legislation also reduces the chances that computer transactions will languish in Congress and become obsolete before they are permitted to move forward.

In this regard, the U.S. Chamber remains committed to repeal of section 1211 for the reasons stated above. Amendment 3292 to the Defense Appropriations for FY 2001 bill is a major step in the right direction.

Sincerely,

R. BRUCE JOSTEN.

Mr. REID. Mr. President, I ask unanimous consent that a letter from the Information Technology Industry



Council, which is representative of the employment of some 1.3 million people in the United States, in support of this legislation be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

INFORMATION TECHNOLOGY  
INDUSTRY COUNCIL,  
Washington, DC, July 10, 2000.

Hon. HARRY REID,  
United State Senate, Washington, DC.

DEAR SENATOR REID: I am writing to follow-up on earlier correspondence to reaffirm the fact that ITI strongly supports the bipartisan Reid/Bennett amendment to the defense authorization bill. We urge your colleagues to support your amendment, and also to oppose any efforts to further water down what is already a compromise position for the computer industry.

The Reid/Bennett amendment would provide overdue relief from the current 180-day waiting period whenever US computer export thresholds are updated. Accordingly, this letter is to inform you and your colleagues that ITI anticipates including votes pertaining to computer exports in our annual High Tech Voting Guide. As you know, the High Tech Voting Guide is used by ITI to measure Members of Congress' support for the information technology industry and policies that ensure the success of the digital economy.

ITI is the leading association of U.S. providers of information technology products and services. ITI members had worldwide revenue of more than \$633 billion in 1999 and employ an estimated 1.3 million people in the United States.

As you know, ITI has endorsed your legislation to shorten the Congressionally mandated waiting period to 30 days. While we strongly support our country's security objectives, there seems no rationale for treating business-level computers that are widely available on the world market as inherently more dangerous than items being removed from the nation's munitions list—an act that gives Congress just 30 calendar days to review.

Make no mistake. Computer exports are critical to the continued success of the industry and America's leadership in information technology. Computers today are improved and innovated virtually every quarter. In our view, it does not make sense to have a six-month waiting period for products that are being innovated in three-month cycles. That rapid innovation is what provides America with her valuable advantage in technology, both in the marketplace and ultimately for national security purposes—an argument put forth recently in a Defense Science Board report on this very subject.

As a good-faith compromise, ITI and the Computer Coalition for Responsible Exports (CCRE) backed an amendment to the House-passed defense authorization bill that established a 60-day waiting period and guaranteed that the counting of those days would not be tolled when Congress adjourns sine die. The House passed that amendment last month by an overwhelming vote of 415-8.

We thank you for your leadership in offering the bipartisan Reid/Bennett amendment as a companion to the House-passed compromise provision. We trust that it will pass the Senate with a similar overwhelming majority.

We have been heartened in recent weeks by the bipartisan agreement that the waiting period must be shortened. The Administration has recommended a 30-day waiting period. The House, as mentioned above, endorsed a 60-day waiting period. And Gov. George W. Bush has publicly endorsed a 60-

day waiting period in recognition that commodity computers widely available from our foreign competitors cannot be effectively controlled.

We thank you for your strong and vocal leadership in this matter and look forward to working with you and other Senators to achieve a strong, bipartisan consensus on this and other issues critical to continuing America's technological pre-eminence.

Best regards,

RHETT B. DAWSON,  
President.

Mr. REID. Again, I express my appreciation to the Senator from Tennessee and the Senator from Utah and look forward to an overwhelming vote tomorrow to send this matter to the House so it can be sent to the President's desk as quickly as possible.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. THOMPSON. Mr. President, I thank my colleagues for their statements. I think they accurately state the conversations we have had. I welcome their commitment to try to work with me toward finding another vehicle in order to alleviate some of the concerns I have had.

I intended to offer a second-degree amendment to this amendment, but I can count the votes. The better part of valor is for me to accept the commitment and assistance from my colleagues in order to try to interject some expertise into the consideration of the MTOP level issues in the future.

What we are seeing with regard to this amendment is a manifestation of a discussion that is going on in this country that is very important. We obviously are leading the world in terms of high technology. We are building supercomputers that no one else has. It is natural that our people want to develop their markets and have an export market. That is important to them from an economic standpoint. Many people in the computer industry are under the impression that if they can build something, it is immediately available worldwide, internationally, by everyone. I respectfully disagree with them on that. But they are of that opinion, and they are moving aggressively in Congress and otherwise to try to raise the level of the computers they can ship without an export license.

Let's keep in mind, that is the issue: What is going to be shipped without a license or with a license. We are not talking about stopping any sales. We are talking about time periods and how fast computers can be sold and what can be sold with or without a license. That is one side of what is going on in the country today in this discussion.

The other side is that all of the statements about our capabilities and our need to market and all those kinds of things may be true. But there is another side to the story, and that is the danger that sometimes is being interjected into the world by the proliferation of weapons of mass destruction.

We have been told in no uncertain terms by the Cox committee, and others, that the Chinese, for example, are

using our technology. They are specifically using our high-performance computers to enhance their own nuclear capabilities. Potentially, they will be used against our own country. We know the Chinese are selling and supplying technology to rogue nations around the world—a big problem. That is a part of the discussion we are going to have over these next few weeks, I hope, in terms of how we address that with the Chinese.

So while it is important to have a viable high-tech market, and while the technological "genie" is out of the bottle to a great extent, there are some of us who still believe we should not abrogate all of our export control laws. And on what we are dealing with here tonight, Congress should have an adequate time to consider how much we want to raise the MTOP levels and how liberal we want to be in terms of allowing these computers to be exported—again, mind you, without a license. They can still export them at any level, theoretically. But they have to go through a license process.

Is the congressional review too long? Is 180 days too long? I point out that, I believe as late as a year ago—I think July of last year—while it was not in law, the practice was for the review time for Congress to take between 18 and 24 months. So 6 months kicked in just about a year ago. So we have gone from 18 to 24 months a year ago, and now Congress has 6 months. We narrowed it to 6 months now that we have to review it, when the administration decides it wants to raise the MTOP levels and become more liberal with exports. Now under this bill, we are narrowing the time further to 60 days—from 6 months to 60 days—for Congress to review the raising of a particular MTOP level.

I have a great problem with that. I know there is tremendous momentum in this Congress to accede to those who want Congress to have less and less a part in this process. I agree with colleagues who said Congress has not always done its due diligence, has not always used that process to its best advantage; we have sometimes sat on our hands.

What I am trying to do, and what I was going to do by my second-degree amendment, which I will now, with the help of colleagues, try to do separate and apart, is to say, OK, we will go down to 60 days, although I don't like it; but we will say, within that 60 days, let's have GAO take a look at it; let's have some expertise from the people who are used to analyzing these things because they don't always agree with the administration, as to what the foreign availability is or what the mass marketing for a particular component is. So why do we want to fly blindly on something that is so technical and important? We need to have GAO in this process and then give Congress just 10 days after the GAO does its work, after 50 days, to look at what GAO has come up with, and then we can act if we want to.



So I think it is a very compressed timeframe. But I understand the momentum for this. I hope we are not making a mistake. I hope we are not placing too much faith in an administration that I think has been entirely too lax in terms of matters of national security, our export laws, the security of our laboratories, and everything else. I hope we are not making that mistake. But I know it is going to happen now, as I say, we can interject into this process at least a little bit of extra deliberation by the GAO and those with the expertise to tell us what they think about a particular increase in the MTOP levels.

I yield the floor.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. BENNETT. Mr. President, I yield back all time for the proponents of the amendment.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. THOMPSON. Mr. President, I yield back all time of the opponents of the amendment.

Mr. WARNER. Mr. President, subject to the leadership, I think I can announce the time of the vote. The vote on this amendment will occur at 11:30 a.m. tomorrow.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WARNER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. TORRICELLI. Mr. President, I rise today to withdraw my amendment to the fiscal year 2001 Defense authorization bill. As the matter between the U.S. Air Force and the New Jersey Forest Fire Service has been resolved, the need for legislative language to rectify this matter is no longer necessary.

At this time, I would like to show my appreciation to the Secretary of the Air Force and his staff for their professionalism and cooperation in helping bring about an expeditious and satisfactory resolution to this matter. I would like to thank the staff members of the Senate Armed Services Committee, in particular Mike McCord, for their assistance in seeing this matter through.

The reimbursement from the Air Force to the New Jersey Forest Service will help enable the men and women of this vital department to continue their important duties in protecting the forests and state parks of New Jersey from disaster.

#### REDSTONE ARSENAL

Mr. SESSIONS. Mr. President, I rise for the purpose of engaging the chairman of the Subcommittee on Readiness

and Management Support, Committee on Armed Services to discuss a matter of some great interest relating to an Army installation located in my State. As the chairman knows, the Redstone Arsenal is located in Alabama, near the city of Huntsville. Although Redstone is not an arsenal in the traditional sense, there are certain provisions of Title III, Subtitle D, Sections 331 and 332 of the bill that I understand will apply to Redstone Arsenal. Specifically, the provision of the bill which would codify the ARMS Act and its facility use contracts and in-kind consideration provisions, and the provision on Centers of Industrial and Technical Excellence that would allow the government owned, government operated industrial facilities to pursue partnerships and arrangements with private sector entities to more fully utilize the plant and equipment at these facilities. In my own state there is interest of at least one private sector entity currently doing business on Redstone Arsenal with others to follow:

By using the Facilities Use and In-Kind Consideration provisions of ARMS, the Logistics Support Facility has been able to establish a presence on Redstone Arsenal. Using these innovative approaches, the Logistical Support Facility has been able to utilize existing Army facilities that might otherwise have been deemed to be excess. This is certainly a win-win situation for both the company and the U.S. Army: a win for the LSF which gets facilities that are close to their customer—the U.S. Army, and a win for Redstone Arsenal, which receives consideration for the use of an otherwise empty facility which it might otherwise have to pay to maintain or demolish.

Am I correct in my belief that Section 332 will allow the Logistical Support Facility and other similarly situated operations to operate on Redstone Arsenal?

Mr. INHOFE. It is exactly the sort of arrangement which you have outlined that the language in Title III is intended to promote. It is the committee's hope that additional government facilities will pursue such initiatives in order to increase their efficiency. The ARMS act was intended to breathe new life into facilities for which the Army might otherwise have less use. It is a model program and we are trying to incorporate those aspects of the ARMS program which make sense in a government owned, government operated industrial facility. This is indeed a win/win situation for business, for the Department of Defense, and for the American taxpayer.

#### TRANSFER OF LAND ON VIEQUES, PUERTO RICO

Ms. LANDRIEU. Mr. President, I appreciate the efforts by the Senator from Oklahoma to facilitate the resumption of critical live-fire training at the Naval training range on the island of Vieques. He has visited the island and has dedicated himself to trying to resolve this important issue.

I believe, given the differences between the provision in the Senate bill and those in the House bill, that this will be a matter of considerable discussion and debate in conference. I look forward to working with Senator INHOFE and other Members of the Senate and House to address these differences and achieve a resolution that maximizes the possibility of resuming live-fire training as soon as possible.

I am concerned that the Senate bill does not authorize the transfer of all the surplus land on the western side of the island, as requested by the President pursuant to his agreement with the Governor of Puerto Rico. I believe that only the full implementation of those directives will restore the Navy's credibility with the local population. Secretary Danzig has emphasized to us the importance of the conveyance of this land as a demonstration of good faith prior to the referendum on the Navy's continued use of Vieques. Therefore to avoid undermining the Navy's position on Vieques, the conference report should adopt the language in the House bill that would authorize this transfer.

Mr. INHOFE. Mr. President, I appreciate the comments of Senator LANDRIEU. I look forward to working with her and others on this important issue in conference. As you noted, as chairman of the Readiness and Management Support Subcommittee I have spent considerable time looking into this matter and I believe that this facility is essential to the readiness of the Navy and Marine Corps.

I understand the concern raised by some that a failure to transfer the western land as requested by the President would frustrate the long-term goal of rebuilding relations between the Navy and the people of Vieques and resuming live-fire training on the island. However, I recently visited Vieques and spoke with some of the local residents who were not as enthused by the proposed transfer of land as the Governors's office has led us to believe. Furthermore, they asked that if any land is transferred, that it be transferred directly to the people of Vieques rather than to the Commonwealth Government. However, I understand that this may not represent the views of all residents of the island and I will continue to look very seriously at this issue during the conference and will continue to speak with the residents of Vieques before I make a final decision.

I also want to ensure that whatever approach we take, we do not undermine the chances of the resumption of live-fire by providing a reverse incentive. I strongly support the Navy and Marine Corps' goal of resuming live-fire training in Vieques. As stated by the senior officers of the Department of Defense, this training is critical to our readiness. I will continue to speak with these officers on the issue, including the impact of not transferring the western land, as we proceed through

conference. I am committed to resolving this matter in a way that maximizes our opportunity to provide our military personnel with the training they need to ensure they are not unnecessarily put at risk when they are deployed into harm's way.

Ms. LANDRIEU. I thank the Senator for his commitment on this matter and look forward to working with him in the weeks ahead.

#### ACQUISITION PROGRAMS AT NSA

Mr. SHELBY. I note to the distinguished chairman of the Armed Services Committee an issue in the committee report accompanying the National Defense Authorization Act for Fiscal Year 2001, S. 2549, on page 126, the report deals with acquisition programs at the National Security Agency (NSA). I fear that the language of the report could have unintended consequences for the on-going efforts to modernize the National Security Agency. The report mandates that the NSA manage its modernization effort as though it were a traditional major defense acquisition program. If this mandate were applied to each of the individual technology efforts within the NSA, such a requirement could impede NSA's flexibility to modernize and upgrade its capabilities. I would ask the Chairman of the Armed Services Committee whether this was the Committee's intent?

Mr. WARNER. I thank the Chairman of the Intelligence Committee, Senator SHELBY. I believe we both agree that the National Security Agency should better address its acquisition issues. However, I note the concerns you raise and agree that the report should not be read to mandate treating each individual technology effort within NSA as a major acquisition program. As the chairman of the Intelligence Committee knows, the Department of Defense (DoD) has an extensive effort to develop various technology projects that could ultimately contribute to one or more major DoD acquisition programs. DoD does not manage these individual technology projects as major acquisition programs, despite the fact that they may contribute to successful fielding of a program being managed as a major acquisition program.

It was the committee's intent to ensure that each of the major modernization efforts that NSA must undertake will receive appropriate management attention. It was not the committee's intent that individual technology projects that are contributing to those broader efforts be managed as major acquisition programs on a project-by-project basis.

I look forward to working with you to ensure that NSA properly manages its acquisition programs.

Mr. SHELBY. I thank the Chairman.

Mr. WARNER. Mr. President, on behalf of my distinguished ranking member and myself, we submit to the Senate the following time agreement.

I ask unanimous consent that at 6:30 p.m. on Wednesday, when the Senate

resumes the DOD authorization bill, Senator BYRD be recognized for up to 30 minutes for debate on his amendment, with a Roth statement to be inserted at that point following the debate, and following the disposition of the amendment and notwithstanding the managers' package of amendments, the following amendments be the only remaining first-degree amendments in order, that they be limited to 1 hour equally divided unless otherwise stated, and that with respect to the second-degree amendments, they be under no time restraints and limited to relevant second-degree amendments unless otherwise stated. Those amendments are as follows:

Feingold, re: D5 missile, 40 minutes equally divided; Durbin, re: NMD testing, 2 hours equally divided with no second-degree amendments; Harkin, secrecy; Kerry of Massachusetts, environmental fines.

I further ask unanimous consent that following the disposition of the pending Byrd amendment and the listed amendments, the bill be advanced to third reading, and the Senate proceed to the consideration of the House companion bill, H.R. 4205, all after the enacting clause be stricken, the text of the Senate bill be inserted, the House bill be advanced to third reading, and passage occur, all without any intervening action, and the Senate bill be then placed on the calendar.

I further ask unanimous consent that at the time of the stacked rollcall votes, there be up to 10 minutes equally divided provided for closing remarks with respect to only the Kerrey amendment.

I further ask unanimous consent that the Senate insist on its amendments, request a conference with the House, and the Chair be authorized to appoint conferees on the part of the Senate.

Finally, I ask the time limit with respect to the Harkin amendment only be vitiated prior to 12 noon on Wednesday, at or upon the request of the minority leader.

The PRESIDING OFFICER. Is there objection?

Mr. LEVIN. Mr. President, reserving the right to object, and I obviously won't because this is a very good unanimous consent agreement, I believe in reading the last two lines my good friend from Virginia left out the word "may" so that "it may be vitiated."

Mr. WARNER. Mr. President, my colleague is correct. I shall reread it.

Finally, I ask that the time limit with respect to the Harkin amendment only may be vitiated prior to 12 noon on Wednesday, upon the request of the minority leader.

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

Mr. LEVIN. Mr. President, has that now been adopted?

Mr. WARNER. That has been accepted. This is a momentous occasion.

The PRESIDING OFFICER. Yes.

Mr. WARNER. I thank all who worked so assiduously to make this

possible. As we said in World War II: Praise the Lord and pass the ammunition. We have this bill on its final track.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. I thank my friend from Virginia. There has been a lot of hard work, indeed, that has gone into this agreement. I do want to see if our understanding is correct on this. It was not explicit in the unanimous consent agreement. That is that following the disposition of the Byrd amendment tomorrow evening, and notwithstanding the managers' package of amendments, that the following amendments be—and then they are identified.

It is our expectation and intention that that proceed immediately tomorrow night, to consideration of those listed amendments.

Mr. WARNER. Mr. President, the Senator is correct in that interpretation, that we will hear from our distinguished former majority leader, member of the Armed Services Committee, Senator BYRD, for 30 minutes. A statement will then be placed in the RECORD on behalf of Senator ROTH, and we will proceed immediately to the amendments as ordered.

Mr. LEVIN. After disposition of the Byrd amendment.

Mr. WARNER. After disposition of the Byrd amendment.

Mr. LEVIN. And that will all occur tomorrow night?

Mr. WARNER. That is correct.

Mr. LEVIN. I thank the Presiding Officer and my good friend from Virginia.

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#### MORNING BUSINESS

Mr. WARNER. Mr. President, I now ask unanimous consent the Senate now proceed to a period of morning business with Senators permitted to speak for up to 10 minutes each.

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

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#### ACKNOWLEDGMENT OF SENATOR PETER FITZGERALD'S 100TH PRESIDING HOUR

Mr. LOTT. Mr. President, today I have the pleasure to announce that another freshman has achieved the 100-hour mark as presiding officer. Senator PETER FITZGERALD is the latest recipient of the Senate's Golden Gavel Award.

Since the 1960's, the Senate has recognized those members who preside over the Senate for 100 hours with the Golden Gavel. This award continues to represent our appreciation for the time these dedicated Senators contribute to presiding over the U.S. Senate—a privileged and important duty.

On behalf of the Senate, I extend our sincere appreciation to Senator FITZGERALD for presiding during the 106th Congress.

CONFIRMATION OF RUSSELL JOHN QUALLIOTINE, OF NEW YORK, TO BE UNITED STATES MARSHAL FOR THE SOUTHERN DISTRICT OF NEW YORK

Mr. MOYNIHAN. Mr. President, I rise to express great appreciation for the confirmation of Russell John Qualliotine to be United States Marshal for the Southern District of New York. Hailing from Nesconset, New York, he served more than a quarter century with the New York City Police Department, retiring this past January. As an Officer of the NYPD, he held the position of Detective First Grade in the elite Personal Security Section of the Intelligence Division. The NYPD has given him four outstanding achievement awards, three awards for excellent police work, and one for meritorious service. From 1969 to 1972, he also served in the United States Army and earned an Army Commendation Medal.

In his roles as police detective and soldier, Mr. Qualliotine has displayed exemplary dedication, character, and professionalism. He is superbly qualified, and I am confident he will make an excellent United States Marshal.

#### EMERGENCY SUPPLEMENTAL APPROPRIATIONS

Mr. MCCAIN. Mr. President, I appreciate the opportunity to address the Senate once again on the subject of military construction projects added to an appropriations bill that were not requested by the Department of Defense. The bill that passed by voice vote prior to the July 4th recess contains more than \$1.5 billion in unrequested military construction projects. More importantly, I would like to spend a few minutes discussing Congress's role in the budget process and its utter lack of fiscal discipline. There is \$4.5 billion in pork-barrel spending in this bill, \$3.3 billion of that total in the so-called "emergency supplemental."

Webster's, Mr. President, defines "emergency" as "a sudden, generally unexpected occurrence or set of circumstances demanding immediate action." What we have here is the antithesis of that concept. It is highly questionable whether \$20 million for abstinence education should be included in a bill the purpose of which is to provide emergency funding that will not count against budget caps.

For months this body made a deliberate decision not to act quickly and deliberately with regard to legitimate spending issues involving military readiness and the crisis in Colombia. The decision was made not to treat these essential and time-sensitive activities as expeditiously as possible. Now, after many months and seemingly endless legislative maneuvering, we were presented with an \$11 billion bill replete with earmarks that under no credible criteria should be categorized as "emergency"—and this is

in addition to the over \$1.5 billion added to the underlying military construction appropriations bill for strictly parochial reasons.

As everyone here is aware, I regularly review spending bills for items that were not requested by the Administration, constitute earmarks designed to benefit specific projects or localities, and did not go through a competitive, merit-based selection process. I submit lists of such items to the CONGRESSIONAL RECORD, generally prior to final passage of the spending bill in question. In the case of the Military Construction bill for fiscal year 2001, I submitted such a list, along with a statement critical of the process by which that bill was put together, particularly the over \$700 million worth of military construction projects added to that bill that were not requested by the Department of Defense—an amount, I reiterate, that was doubled in conference with the other Body.

This is an institution that has proven itself incapable of passing legislation on an expedited basis that genuinely warrants the categorization of "emergency." Funding for ongoing military operations that strains readiness accounts is a case in point. The one thing, Mr. President, we can pass without hesitation and consideration is money for pork-barrel projects. Just prior to final passage back in May of the Military Construction appropriations bill, the Appropriations Committee pushed through \$460 million for six new C-130J aircraft for the Coast Guard—the very aircraft that we throw money at with wanton abandon as though our very existence as an institution is dependent upon the continued acquisition of that aircraft.

That funding and those aircraft are in the bill that emerged from conference with the House. A consensus exists, apparently, that we must have six more C-130Js in addition to the ones added to the defense appropriations bill despite a surplus in the Department of Defense of C-130 airframes that should see us through to the next millennium and beyond. And this, Mr. President, despite the General Accounting Office's finding, based upon the Coast Guard's own study, that the service's existing fleet of HC-130s will not need to be replaced until 2012-2027. And this, Mr. President, despite an ongoing Coast Guard-directed study designed to determine precisely what types and numbers of aircraft and surface vessels it will require in the future. Message to parents saving up for little junior's college education: invest in the stock of the company that makes C-130s; the United States Congress will ensure your offspring never need student loans.

Compared to the \$460 million for the C-130s, it hardly seems worth it to mention the \$45 million added to this emergency spending measure for yet another Gulfstream jet, other than to point out that it is manufactured in the same state as the C-130s. The deci-

sion to include funding for this jet, intended for the Coast Guard commandant, an emergency spending bill lends further credence to the notion that our interest in the integrity of the budget process is nonexistent.

It was reassuring that a compromise was reached on the issue of helicopters for Colombia. It is extremely unfortunate, however, that an issue of life and death for Colombian soldiers being sent into combat to fight well-armed drug traffickers and the 15,000-strong guerrilla army that protects them was predicated upon parochial considerations. Valid operational reasons existed for the decision by the Department of Defense and the Colombian Government to request Blackhawk helicopters, and the Senate's decision to substitute those Blackhawks for Huey IIs was among the more morally questionable actions I have witnessed within the narrow realm of budgetary decision-making by Congress.

Specific to the Military Construction Appropriations Act for Fiscal Year 2001, it continues to strain credibility to peruse this legislation and believe that considerations other than pork were at play. How else to explain the millions of dollars added to this bill for National Guard Armories, which, in a typically Orwellian gesture, are now referred to as "Readiness Centers?" Whether the \$6.4 million added for a new dining facility at Sheppard Air Force Base; the \$12 million for a new fitness center at Langley Air Force Base; the \$5.8 million for a joint personnel training center at Fairchild Air Force Base, Alaska; the \$3.5 million added for an indoor rifle range and \$1.8 million for a religious ministry facility at the Naval Reserve Station in Fort Worth, Texas; the \$4 million added for the New Hampshire Air National Guard Pease International Trade Port; the \$4 million for a Kentucky National Guard parking structure; and the \$14 million added for New York National Guard facilities all constitute vital spending initiatives is highly questionable.

There are one-and-a-half billion dollars worth of projects added to this bill at member request. Not all of them, in particular family housing projects, warrant criticism or skepticism. There are important quality of life issues involved here. The public should be under no illusions, however, that over a billion dollars was added to this bill solely as a manifestation of Congress' unrestrained pursuit of pork.

As mentioned, far more disturbing than the pork added to the military construction bill is the damage done to the integrity of the budget process by the abuse of the concept of emergency spending. Permit me to quote from the opening sentence from the Washington Post of June 29 with regard to this bill: "Republicans are trying to grease the skids for passage of a large emergency spending bill for Colombia and Kosovo with \$200 million of 'special projects' for members, and one of the biggest winners is a renegade Democrat being courted by the GOP."

That, Mr. President, summarizes the process pretty well. Military readiness and the situation in Colombia are not in and of themselves important enough to warrant support for this spending bill. It seems this Senate must have its pork. It must have its \$25 million for a Customs Service training facility at Harpers Ferry, West Virginia, a site most certainly chosen for its bucolic charm and operational attributes rather than for parochial reasons. It must have its \$225,000 for the Nebraska State Patrol Digital Distance Learning project. It must have over \$3 million earmarked for anti-doping activities at the 2002 Olympics, in addition to the \$8 million for Defense Department support of these essential national security activities on the ski slopes of Utah. It must have \$300,000 for Indian tribes in North Dakota, South Dakota, Montana and Minnesota. The hard-working taxpayers of America deserve better.

Those of us who had the misfortune of witnessing one of the most disgraceful and blatant explosions of pork-barrel spending in the annals of modern American parliamentary history, the ISTE bill of 1998, should be astounded to see the projects funded in this emergency spending bill:

\$1.2 million for the Paso Del Norte International Bridge in Texas;

\$9 million for the US 82 Mississippi River Bridge in Mississippi;

\$2 million for the Union Village/Cambridge Junction bridges in Vermont;

\$5 million for the Naheola Bridge in Alabama;

\$3 million for the Hoover Dam Bypass in Arizona and Nevada;

\$3 million for the Witt-Penn Bridge in New Jersey; and

\$12 million for the Florida Memorial Bridge in Florida.

These, Mr. President, are but the tip of the iceberg—an iceberg that shall not stand in the way of the icebreaker added to this bill, albeit for more credible reasons than the vast majority of member add-ons.

As I stated earlier, tracking the process by which the bill came before us was a truly Byzantine experience. The addition of \$600,000 for the Lewis and Clark Rural Water System in South Dakota serves as sort of a tribute to the unusual path down which this legislation has traveled. The most skilled legislative adventurers would be hard pressed to follow the trail this bill followed before arriving at its destination here on the floor of the Senate.

I cannot emphasize enough the significance of piling billions of dollars in pork and unrequested earmarks into a bill that was categorized for budgetary purposes as "emergency." Consider the distinction between emergency spending essential for the preservation of liberty and to deal with genuine emergencies that cannot wait for the usual annual appropriations process, and the manner in which Congress abuses that concept and undermines the integrity of the budgeting process. When I review

an emergency spending measure and read earmarks like \$2.2 million for the Anchorage, Alaska Senior Center; \$500,000 for the Shedd Aquarium/Brookfield Zoo for science education programs for local school students; \$1 million for the Center for Research on Aging at Rush-Presbyterian-St. Luke's Medical Center in Chicago; and \$8 million for the City of Libby in Montana, plus another \$3.5 million for the Saint John's Lutheran Hospital in Libby, I am more than a little perplexed about the propriety of our actions here.

Is the American public expected to believe that a spending bill essential for national security should include emergency funding for Dungeness fishing vessel crew members, U.S. fish processors in Alaska, and the Buy N Pack Seafoods processor in Hoonah, Alaska, research and education relating to the North Pacific marine ecosystem, and the lease, operation and upgrading of facilities at the Alaska SeaLife Center, and the \$7 million for observer coverage for the Hawaiian long-line fishery and to study interaction with sea turtles in the North Pacific. Finally, and not to belabor the point, is the \$1 million for the State of Alaska to develop a cooperative research plan to restore the crab fishery truly a national security imperative?

When the bill was on the floor of the Senate, my friend and colleague from Texas, Senator GRAMM, referred to the sadly typical smoke and mirrors budgeting gimmickry pervasive in the legislation. I am always disturbed when such budgeting gimmicks designed to prevent Congress from complying with the revenue and spending levels agreed to in the Budget Resolution are employed. While I am grateful that a deal was struck by which they will be reversed in another bill, the use of such gimmicks is a betrayal of our responsibility to spend the taxpayers' dollars responsibly and enact laws and policies that reflect the best interests of all Americans. It is a betrayal of the public trust that is essential to a working democracy.

The bill, as currently written and signed into law, waives the budget caps to allow for more discretionary spending. It also waived the firewall in the budget resolution between defense and nondefense spending on outlays. The end result would be that Congress would have the freedom to move the \$2.6 billion the Defense Appropriations Subcommittee did not spend on much-needed readiness into non-defense spending.

The recently-passed legislation further changes current law and shifts the payment date for SSI, the Supplemental Security Income program, from October back to September. What that would do is shift money into fiscal year 2000. In the process, it would allow \$2.4 billion more be spent in fiscal year 2001 by spending that same amount of money in the previous year. The legislation also includes the gimmick of moving the pay date for veterans' com-

pensation and pensions from fiscal year 2001 to fiscal year 2000. Both of these provisions are further examples of the irresponsible budget gimmickry that allows the Congress to spend more without any accountability. I am thankful that a commitment was made to reverse these decisions in subsequent legislation; I abhor the fact that they will almost certainly be used again in the future.

To conclude, the Military Construction and Emergency Supplemental Appropriations bill passed prior to recess, and without members of the Senate having a realistic opportunity to review that multibillion dollar commitment, is a travesty, a thorough slap in the face of all Americans concerned about fiscal responsibility, national security, the scourge of drugs on our streets, and the integrity of the representation they send to Congress. We should be ashamed of ourselves for passing this bill. Unfortunately, shame continues to elude us, and the country, and our democracy, is poorer for that flaw in our collective character.

#### VICTIMS OF GUN VIOLENCE

Mr. DURBIN. Mr. President, it has been more than a year since the Columbine tragedy, but still this Republican Congress refuses to act on sensible gun legislation.

Since Columbine, thousands of Americans have been killed by gunfire. Until we act, Democrats in the Senate will read some of the names of those who lost their lives to gun violence in the past year, and we will continue to do so every day that the Senate is in session.

In the name of those who died, we will continue this fight. Following are the names of some of the people who were killed by gunfire one year ago today.

July 11, 1999:

Thomas Erwin, 36, Oklahoma City, OK; Bernard Harrison, 17, Baltimore, MD; Anthony L. Holt, 28, Chicago, IL; Judy Holt, 47, Dallas, TX; Christopher F. James, 34, Oklahoma City, OK; Byron Sanders, 17, Baltimore, MD; Eugene Smith, 21, Charlotte, NC; Nakia Walker, 25, Washington, DC; Unidentified male, 23, Newark, NJ.

#### FISCAL YEAR 2001 LABOR-HHS-EDUCATION APPROPRIATIONS AND THE MILITARY CONSTRUCTION APPROPRIATIONS CONFERENCE REPORT

Mr. VOINOVICH. Mr. President, on June 30, the Senate passed S. 2553, the Fiscal Year 2001 Labor-HHS-Education Appropriations bill, by a vote of 52-43. I voted against this measure because of my belief that it provides an unjustified increase in federal spending and employs a variety of gimmicks that are meant to hide the true size of its costs.

As my colleague from Texas, Senator GRAMM, recently pointed out, the fiscal year 2001 Labor-HHS bill increases discretionary spending by more than 20

percent when compared to last year's bill. As it is, this is incredible growth in discretionary spending; however, to truly emphasize the enormity of this increase, my colleagues should consider that this growth in spending is roughly 10 times the current rate of inflation.

The bill hides this massive increase in discretionary spending by using a variety of gimmicks. First, it proposes to offset the new spending by making cuts in crucial mandatory programs, such as the Social Services Block Grant (SSBG), the State Children's Health Insurance Program (S-CHIP) and Temporary Assistance for Needy Families (TANF). After a number of colleagues and I expressed our concern over using these programs as spending offsets, Appropriations Committee Chairman STEVENS pledged his support to vitiate these cuts when the Labor-HHS bill is considered in Conference. While I commend Chairman STEVENS for his commitment to restoring these funds, it is my belief that the Appropriations Committee never should have tapped into these programs in the first place. It is my hope that the Conferees will, as they remove these offsets, look to decrease the overall level of discretionary spending in the bill rather than search for other sources.

Second, the bill moves up by 3 days the first Supplemental Security Income (SSI) payment date of Fiscal Year 2001 so that it falls, instead, in Fiscal Year 2000. Although such a change sounds innocuous, the ramifications of this action are tremendous.

As my colleagues know, the start of the next fiscal year begins on October 1, 2000. By moving the first SSI payment date of the year a few days earlier, it will fall in the waning days of fiscal year 2000 and be paid for out of the fiscal year 2000 on-budget surplus. The end result of this gimmick is that not only does it increase spending in FY 2000 by \$2.4 billion, which is, by the way, money I would rather see go to debt reduction. But it also frees up another \$2.4 billion in Fiscal Year 2001 for Congress to spend.

Finally, despite the fact that the bill increases discretionary spending by a whopping 20 percent, it still fails to prioritize and target resources towards those programs that are the responsibility of the federal government, such as fully funding our commitment under the Individuals with Disabilities Education Act (IDEA). The high cost of educating disabled students continues to place a heavy burden on our local school districts. If the federal government met its obligation to fund IDEA at the level it promised in 1975, local communities would have resources left over to fund their own education priorities.

Instead, this appropriations bill, while increasing funding for IDEA by \$1.31 billion over last year's bill and by \$984 million above President Clinton's request, does not make enough progress on IDEA. Before the federal government increases spending on new programs, it should be fully funding its

promise to supply up to 40 percent of the cost of educating disabled children.

Mr. President, what Congress has done in this Labor-HHS bill proves that we must face facts: Congress is addicted to spending. We will use any gimmick, any trick, any scheme we can think of to spend money. Often, it is for things that we don't need, things that are not a federal responsibility or things that we cannot afford.

Instead of using cuts in mandatory programs and accounting shifts to pay for massive increases in discretionary programs, we need to prioritize our spending and make the hard choices when necessary. We have used budgetary shenanigans far too often to obfuscate the size of spending increases, and it is long past time for this practice to end.

It is for these reasons, Mr. President, that I felt compelled to vote against the Labor-HHS Appropriations bill, and I do not believe that I am alone in my concerns regarding this legislation. It is my sincere hope that when the conferees meet to put together the final version of this legislation, they will consider and address the items that I have mentioned.

Mr. President, I also would like to take this opportunity to voice my concern over the conference report to H.R. 4425, the Military Construction Appropriations bill, which the Senate approved on June 30 by a voice vote. If it had been the subject of a roll call vote, I would have voted against final passage of this bill.

My concern with this legislation does not rest with the Military Construction portion of the conference report. Indeed, I voted for the bill when it originally came before the Senate in May. Rather, my concern lies with what was added to the bill since the time the Senate first passed it.

While in conference, the Military Construction Appropriations bill became the vehicle to which Fiscal Year 2000 emergency supplemental appropriations were attached. In times of true emergency, Mr. President, I believe that Congress has an obligation to ensure that supplemental funds are provided to cover unexpected expenses. That is why I have no objection to providing emergency funds for our operations in Kosovo and to those unfortunate Americans who have been the victims of natural disasters.

However, I do not believe that we should provide emergency funding for items that are not true emergencies in an effort to avoid budget rules. Unfortunately, that is precisely what H.R. 4425 does. This bill provides taxpayer dollars for such "emergencies" as the winter Olympic Games, a sea life center in Alaska and a new top-of-the-line Gulfstream jet aircraft for the Commandant of the U.S. Coast Guard.

In recent years, we have seen remarkable growth in the use of emergency designations as a way to bypass the spending caps so that Congress can avoid making tough choices. Fiscal year 2000 is certainly no exception. In fact, we will be setting a new record for

"emergency" spending in this fiscal year with a final tally of more than \$40 billion.

I should also add, Mr. President, that H.R. 4425 speeds up government pay-days and uses other accounting shifts to move nearly \$12 billion of fiscal year 2001 spending into fiscal year 2000. Just as with the Labor-HHS Appropriations Bill, the conference committee used this gimmick in order to free up an additional \$12 billion for Congress to spend in Fiscal Year 2001.

Mr. President, rather than devising new, more ingenious ways to avoid fiscal discipline, we should be endeavoring to restore honesty and integrity to the congressional budget process. As I have stated on previous occasions, if any American was to cook his or her books the way the federal government does, that individual no doubt would be sent to jail very quickly. We cannot continue to apply a double standard. We must live within our means, delineate responsibility between the state and local governments and the federal government and pay for those items accordingly, and for Heaven's sake, if we have any on-budget surplus funds, use those funds to pay down the National Debt.

I will continue to monitor the progress of the remaining appropriations bills, and I encourage my colleagues to work with me to make sure that we spend federal tax dollars wisely.

Thank you, Mr. President. I yield the floor.

#### VIOLENCE AGAINST WOMEN ACT OF 2000

Mr. ROCKEFELLER. Mr. President, in 1994 we passed the original Violence Against Women Act, creating programs that addressed the many forms of domestic violence all-too prevalent in the United States today. The bill helped communities create shelters, build partnerships among law enforcement agencies to respond to violence against women, and provide legal assistance to battered women. The bill also established a domestic violence hotline that receives hundreds of calls daily from people concerned about violence in their families. Now, we have the opportunity and responsibility to reauthorize this legislation to give women and children a way out of violent and unhealthy situations.

For groups that strive to combat domestic violence, the original Violence Against Women Act was a turning point in their battle. In my state, the West Virginia Coalition Against Domestic Violence stands as an outstanding example of the great work that groups devoted to the noble cause of stamping out domestic violence can do when Congress acts appropriately. With the added funding provided by the Violence Against Women Act, the Coalition was able to quadruple its staff, increase the budgets of its shelters to

meet their day-to-day needs, and increase services to under-served parts of the population of West Virginia. Many of the women who escape from violent homes cannot afford legal services, but thanks to grants authorized under the Violence Against Women Act, thirteen civil legal assistance programs are now in place around West Virginia providing free representation for women.

The Coalition also computerized its entire network, enabling instant communication with offices in other parts of rural West Virginia. By creating a database that compiles information on offenders from all over the state, they were able to work with regional jails, sheriffs, and other law enforcement agencies to use this valuable resource. I am proud to say that several other states have used West Virginia's system as a model, helping to combat domestic violence within their borders.

Passing the Violence Against Women Act of 2000 not only sustains existing programs, but creates several new initiatives that extend help to different groups and communities. The bill establishes a new formula for calculating some of the grants, enabling small states like West Virginia to continue to expand their services. In addition, it augments current policies with protections for older and disabled women, and builds on legal assistance programs to further expand coverage.

Perhaps most importantly, the passage of this legislation conveys the important message that the federal government considers domestic violence to be a serious issue. Those of us in Congress share in this concern with the people we serve. We can take some pride that by acting to address these problems, we may have moved some State governments to improve their services to abused spouses and children, and to increase the penalties meted out to the abusers.

By paying attention to this enormously important issue, and by enhancing the current legislation, we are taking steps in the right direction. Although the measures in the original legislation have helped to alleviate the problem, we must continue to wage a persistent fight as long as anyone feels unsafe in their homes.

#### FY 2000 SUPPLEMENTAL APPROPRIATIONS

Mr. HARKIN. Mr. President, on the Friday before the July 4 recess, the Senate passed the military construction appropriations bill, which included the supplemental spending package, by voice vote. Although there were a number of meritorious items in that bill, if there had been an up or down vote, I would have voted against it for a number of reasons.

I was extremely disappointed in the Conferees' decision to drop the \$5 million in emergency methamphetamine cleanup funds from the supplemental package.

There was strong support for this provision from both Democrats and Re-

publicans. And it was included in both the House and Senate supplemental packages.

So, it doesn't make sense why it was suddenly dropped—especially when we're talking about dangerous chemical sites that are left exposed in our local communities. Without this provision, the bill provides hundreds of millions to help a foreign country fight a drug war, but turns a blind eye to one of the biggest drug problems right in our own back yards. That is unacceptable.

Our failure to fund the cleanup of these labs is all the more disappointing because this bill is bloated with pork. There is \$700 million here for the Coast Guard alone, including \$45 million for a C-37A aircraft for the Coast Guard. The C-37 is a Gulfstream V executive jet. It's not even your average corporate jet, but one of the most expensive, top-of-the-line crafts.

Why should the American taxpayers pay \$45 million so the Coast Guard officers can fly in luxury, when the military has trouble keeping its planes aloft because they lack spare parts? There is a drug crisis in this country and an immediate need for funds for peacekeeping operations, but that's no reason to buy luxury jets in an emergency spending bill.

Mr. President, without the meth funding, states and local communities will have to bear the burden of cleaning up these highly toxic sites that are found every day in Iowa and throughout the Midwest, West and Southwest.

In recent years, the Drug Enforcement Agency has provided critical financial assistance to help clean up these dangerous sites, which can cost thousands of dollars each.

Unfortunately, in March, the DEA ran out of funds to provide methamphetamine lab cleanup assistance to state and local law enforcement. That's because last year, this funding was cut in half while the number of meth labs found and confiscated has been growing.

In late May, the Administration shifted \$5 million in funds from other Department of Justice Accounts to pay for emergency meth lab cleanup. And I believe that will help reimburse these states for the costs they have incurred since the DEA ran out of money. My state of Iowa has already paid some \$300,000 of its own pocket for cleanup since March.

However, we've got months to go before the new fiscal year—and the number of meth labs being found and confiscated are still on the rise. My \$5 million provision in this emergency spending package would have provided enough money to pay for costly meth lab cleanup without forcing states to take money out of their other tight law enforcement budgets.

If we can find the money to fight drugs in Colombia, we should be able to find the money to fight drugs in our own backyard. We should not risk exposing these dangerous meth sites to our communities.

So I urge the Senate to support adding the \$5 million in emergency meth cleanup funds to the FY 2001 Foreign Operations spending bill or another appropriations vehicle. It is unfair to force our state and local communities to shoulder this financial burden alone.

#### NOMINATION OF MADELYN CREEDON

Ms. LANDRIEU. Mr. President, I wish to add my voice to that of my colleagues on behalf of Madelyn Creedon's nomination. She has been selected by the President to become the first Deputy Administrator for defense programs in the new National Nuclear Security Administration, NNSA, at the Department of Energy. I had the privilege of working closely with Madelyn while she served on the minority staff for the Strategic Forces Subcommittee. I have great respect for her ability and judgment, and I'm confident she will do an excellent job for General Gordon and the country. In addition to being skillful and reliable, Madelyn's knowledge of DOE issues is absolutely unsurpassed. Besides her work on the Senate Armed Services Committee, she was the Associate Deputy Secretary of Energy for National Security Programs at DOE, General Counsel for the Defense Base Closure and Realignment Commission, majority Counsel for the Senate Armed Services Committee under the Chairmanship of Senator Sam Nunn, and finally, trial attorney and Acting Assistant General Counsel with the DOE. Her entire career has prepared her for this important assignment, and it should be no surprise that the President asked her to help lay the foundation for the success of the NNSA. As a member of the Senate, you rarely get the opportunity to vote on the nomination of someone you have observed as closely as I have observed Madelyn. Having done so, I lend her my unqualified support. Mr. President, I have but to note the vote of support by the members of the Armed Services Committee. The high esteem that I hold Madelyn is reflected throughout. This Chamber will be proud of its vote today, and we will be lucky to have Madelyn serve her country in this capacity. I congratulate Madelyn and her family. I will miss having her guidance and work ethic on the Strategic Subcommittee. However, our loss is truly the country's gain.

#### THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Monday, July 10, 2000, the Federal debt stood at \$5,662,949,608,628.38 (Five trillion, six hundred sixty-two billion, nine hundred forty-nine million, six hundred eighty thousand, six hundred twenty-eight dollars and thirty-eight cents).

Five years ago, July 10, 1995, the Federal debt stood at \$4,924,015,000,000 (Four trillion, nine hundred twenty-four billion, fifteen million).

Ten years ago, July 10, 1990, the Federal debt stood at \$3,153,274,000,000 (Three trillion, one hundred fifty-three billion, two hundred seventy-four million).

Fifteen years ago, July 10, 1985, the Federal debt stood at \$1,794,793,000,000 (One trillion, seven hundred ninety-four billion, seven hundred ninety-three million).

Twenty-five years ago, July 10, 1975, the Federal debt stood at \$531,474,000,000 (Five hundred thirty-one billion, four hundred seventy-four million) which reflects a debt increase of more than \$5 trillion—\$5,131,475,608,628.38 (Five trillion, one hundred thirty-one billion, four hundred seventy-five million, six hundred eight thousand, six hundred twenty-eight dollars and thirty-eight cents) during the past 25 years.

#### ADDITIONAL STATEMENTS

##### RETIREMENT OF PETER J. LIACOURAS

● Mr. SANTORUM. Mr. President, I rise today to recognize a dear friend who retired after an outstanding tenure at one of our great public research universities. On June 30, 2000, Peter J. Liacouras stepped down as President of Temple University in Philadelphia, Pennsylvania after eighteen years of service in this capacity.

A Temple professor of Law for almost 40 years and a former Dean of Temple University's Beasley School of Law, Mr. Liacouras served as the University's chief executive since June of 1982. Under his leadership, Temple University achieved national and international prominence as a center for research, teaching, and public service.

With vision and confidence, he presided over a university with nearly 29,000 students; a world-class faculty; 16,000 full-time and part-time employees; a renowned Health Sciences Center, the Temple University Health System, Inc., with seven hospitals and two nursing homes; 210,000 proud graduates throughout the world; an annual budget of more than \$1 billion; successful, long-established campuses in Rome, Italy, and Tokyo, Japan; and educational programs in Great Britain, France, Jamaica, Greece, Israel, Ghana, the People's Republic of China, and other nations.

Throughout his career at Temple, Mr. Liacouras worked vigorously and tirelessly in the pursuit of excellence. The bedrock of his administration was a commitment to improving undergraduate, graduate, and professional education within his institution, and he restructured Temple's schools and colleges to meet the needs of students and the world they enter after graduation.

He was an advocate of opening colleges and universities to persons from historically underrepresented groups—an effort which led to Temple becoming

the first university to receive the U.S. Labor Department's coveted Exemplary Voluntary Effort (EVE) Award. As Dean of the Law School, this son of Greek immigrants earned national recognition for developing fair and sensible admissions policies for professional schools.

President Liacouras was also a leader in bringing change to his University and anticipating even greater change in the future. His "Report to the Board of Trustees on Strategic Initiatives" helped Temple reposition itself in a radically changing environment for higher education. With his direction, the University launched Virtual Temple, a for-profit subsidiary to market courses on the Internet.

He dramatically improved his university's town-gown relationship with its surrounding communities. While strengthening Temple's overseas educational programs, he led the way for the University and the Commonwealth of Pennsylvania to invest in the University's Main Campus, with such projects as the Temple University Children's Medical Center, The Liacouras Center, The Tuttleman Learning Center, and the Independence Blue Cross Student Recreation Center.

His strategic vision for the Main Campus helped revitalize North Central Philadelphia. As a result, community residents are seeing new housing and new retail and entertainment projects in their neighborhoods—and Temple is experiencing an unprecedented influx of talented students who want an education in a great city.

Mr. President, I doubt that few institutions could rival Temple University for its accomplishments and progress during the remarkable stewardship of President Liacouras. I would like to thank my friend for his extraordinary success in leading Temple University to new heights of greatness as one of America's important centers of higher education.●

##### TRIBUTE TO NATALIE DAVIS SPINGARN

● Mr. LIEBERMAN. Mr. President, on June 6, 2000, we lost a very courageous, brilliant, and dedicated American, Natalie Davis Spingarn. A noted writer, public servant, and leading advocate for cancer patients, Natalie was also a good friend who I miss greatly. She suffered many health problems over the years, but she lived her life with purpose, grace, and humor. Natalie built on her own experience as a cancer patient to lead the cancer survivor movement and to work for improved care and services for cancer patients.

I met Natalie in 1963, when she was the press secretary for the late Senator Abraham Ribicoff and I was a summer intern. Natalie made a great impression on me then and, quite a few years later, Natalie served as a senior intern in my Senate office where she contributed her wealth of experience and knowledge to my efforts in the area of

health policy. Natalie was a trusted adviser, who endeared herself to my staff and me with her wisdom, energy, compassion, and wit.

Mr. President, I would like to call the attention of my colleagues to a wonderful article about Natalie Spingarn that appeared on June 7 in The Washington Post. Natalie was a frequent contributor to the Health section of the Post, and I know she would be proud to see Bart Barnes' tribute reprinted in the CONGRESSIONAL RECORD.

The tribute follows:

AUTHOR NATALIE DAVIS SPINGARN DIES

(By Bart Barnes)

Natalie Davis Spingarn, 78, an author and former federal official who for 26 years had written books and articles about her recurring bouts with cancer, died of pancreatic cancer June 6 at the Washington Home Hospice.

Mrs. Spingarn, who initially was diagnosed with metastatic breast cancer in 1974, was a leader in the cancer survivorship movement, a writer on health care policy and a patients' advocate with cancer patient support organizations.

Her writings included a 1988 "Cancer Patient's Bill of Rights," "Hanging in There: Living Well on Borrowed Time" and "The New Cancer Survivors: Living With Grace, Fighting With Spirit," which was published by John Hopkins University Press last year. "The biopsy is positive. You have cancer," she wrote in "The New Cancer Survivors," commencing her account of the experience shared by an estimated 8.2 million Americans who have a history of cancer.

"Spingarn distills the diversity of the cancer survivor experience, finding the commonality among them," wrote Frances M. Cisco, a 12-year survivor of breast cancer and the president of the National Breast Cancer Coalition, in an April 18 review of Mrs. Spingarn's book published in The Washington Post. "With compassion, insight and occasional humor, Spingarn pulls the reader into the world of what she terms 'the new breed of cancer survivors.' These are not passion victims but confident individuals, ready to speak up to seek out what they need to lead quality lives."

Mrs. Spingarn, a former staff assistant to Abraham A. Ribicoff, both during his tenure as secretary of health, education and welfare and as a Democratic senator from Connecticut, was an officer of the War on Poverty in the late 1960's and early 1970's. She was also a freelance writer who had written articles for The Washington Post and other organizations.

She was active in Democratic Party politics and had been a D.C. delegate to two Democratic National Conventions. During the 1968 presidential campaign of Hubert H. Humphrey, she traveled with the vice president as a speech writer.

Mrs. Spingarn, a resident of Washington, was born in New York and graduated from Vassar College. She began her professional career as a reporter on the New York newspaper PM shortly after college, then came to Washington with her husband after World War II.

She joined Ribicoff as his executive assistant at HEW in 1961 and remained with him after his 1962 election to the Senate. In 1967, she returned to HEW as assistant director for communications and training at the center for community planning, which was established to coordinate urban efforts in the War on Poverty. She remained on that job through the early 1970s. Later, she was a public affairs assistant at the Department of



Education and a D.C. General Hospital commissioner. She was a White House volunteer in the Clinton administration.

In the years after her breast cancer was diagnosed in 1974, Mrs. Spingarn wrote increasingly about issues related to cancer treatment and care. She reviewed several books on health care for the Health section of *The Washington Post*, and she wrote first-person accounts about her own treatment and care.

She had a family history replete with cancer. Her grandmother died of cancer. Both her sisters had breast cancer, and one died of pancreatic cancer. A son survived a bout with lymphoma.

In 1977 and 1979, Mrs. Spingarn experienced new diagnoses of cancer.

"In my work, I write usually about health policy matters. . . . In my life I am a patient, a role which takes time—too much time," she wrote in *The Washington Post* in 1980. "I am living still in my Washington hospital bed. . . . A nurse comes in to check on me. . . . 'What's the matter with you?' she wants to know. . . . my disease seems to be my fault. She makes no move toward me, even to inquire if I need anything, and observes that I should have talked to the doctor about avoiding its spread. . . ."

In 1981, she wrote about her search for a holistic means of dealing with cancer. "I had flirted with the idea that my emotions might affect my cancer pain during a period a few years ago when I suffered especially nagging backaches. I had discarded clumsy back brace, which made me sweat and my clothes balloon. Doctors and a pain clinic had only given me more pills. . . . the latest had made my hands tremble."

In the ensuing years, Mrs. Spingarn would write of needs for long-term care and increased mental health services for cancer patients, rules and regulations that often appeared to be contradictory and cause unnecessary hardship, and waste, fraud and inefficiency that many patients routinely encounter.

She won an award at the John Muir Medical Film Festival for a film, "Patients and Doctors: Communication Is a Two-Way Street," and she served on the boards of the National Coalition for Cancer Survivorship and the International Alliance of Patient Organizations.

Survivors include her husband, Jerome Spingarn of Washington; two sons, Jonathan Spingarn of Atlanta and Jeremy Spingarn of Norwood, Mass.; a brother; a sister; and two grandchildren.

#### THE SINDTS' 50TH WEDDING ANNIVERSARY

• Mr. ASHCROFT. Mr. President, families are the cornerstone of America. Individuals from strong families contribute to the society. It is both instructive and important to honor those who have taken the commitment of "till death us do part" seriously, demonstrating successfully the timeless principles of love, honor, and fidelity. These characteristics make our country strong.

For these important reasons, I rise today to honor Merrill and Barbara Sindt of Jefferson City, Missouri, who will celebrate their 50th wedding anniversary in August. My wife, Janet, and I look forward to the day we can celebrate a similar milestone. The Sindts' commitment to the principles and values of their marriage deserves to be saluted and recognized.●

#### SOUTH CAROLINA PEACHES

• Mr. HOLLINGS. Mr. President, I rise to recognize South Carolina's peach farmers for their hard work and their delicious peaches.

Today, peaches from my home State have been delivered to offices throughout the Senate and the U.S. Capitol. Thanks to South Carolina's peach farmers, those of us here in Washington will be able to cool off from the summer heat with delicious peaches.

For a relatively small State, South Carolina is second in the Nation in peach production. In fact, this year farmers across my State planted more than 16,000 acres of peaches. As my colleagues can attest, these are some of the finest peaches produced anywhere in the United States.

As we savor the taste of these peaches, we should remember the work and labor that goes into producing such a delicious fruit. While Americans enjoy peaches for appetizers, entrees and desserts, most do not stop to consider where they come from. Farmers will be laboring all summer in the heat and humidity to bring us what we call the "perfect candy." What else curbs a sweet tooth, is delicious, nutritious and satisfying, but not fattening?

The truth is, Mr. President, our farmers as too often the forgotten workers in our country. Through their dedication and commitment, our nation is able to enjoy a wonderful selection of fresh fruit, vegetables and other foods. In fact, our agricultural system, at times, is the envy of the world.

Mr. President, as Senators and their staff feast on these delicious peaches, I hope they will remember the people in South Carolina who made this endeavor possible: The South Carolina Peach Council, David Winkles and the entire South Carolina Farm Bureau. They have all worked extremely hard to ensure that the U.S. Senate gets a taste of South Carolina.

I am sure everyone in our Nation's Capitol will be smiling as they enjoy these delicious South Carolina peaches.●

#### RECOGNITION OF THE DESTINATION IN IMAGINATION TEAM FROM PIONEER MIDDLE SCHOOL

• Mr. GORTON. Mr. President, it is not often that over 8,000 kids from all over the world are brought together to celebrate their creativity and problem solving skills, but thanks to a program called Destination Imagination, it became a reality in May of this year when Destination Imagination held their Global Finals at Iowa State University. A five-student team from Pioneer Middle School in Wenatchee, Washington were able to participate in the D2K finals and were a great success when they finished fourth in the "Instant PUDDING Improv" category.

Destination Imagination is a non-profit corporation that offers young people a chance to participate in a

global, youth-centered, creative problem solving program. The Destination Imagination program has two components: "Instant Challenges" that teach students to take what life is handing them moment to moment and requires them to solve a challenge on the spot; "Team Challenges" use art, technology, performance, and real world relevance as they tackle one of the six challenges, that can take from several weeks to several months to develop.

The team from Pioneer Middle School included Carly Faulkner, Kari Opp, Whitney Faulkner, Jessica Pinkston and Aaron Galbraith. Utilizing their critical thinking and problem-solving skills, these amazing individuals were able to perform an improvisational story with only a half and hour to prepare. Not only were there time limits, but they were given predetermined props and a list of 12 people, places, and times that had to be incorporated into their performance.

Can you imagine having to correlate Ghandi, the Egyptian Pyramids, Tinkerbell, and someone winning a million dollars in the Lotto into a coherent and entertaining piece? Successfully, the 8th graders were able to accomplish just that. Surely, this takes a tremendous deal of teamwork and quick thinking!

Their coach, Shelly Skaar, who is a librarian for the East Wenatchee School District, has been with the team twice at the D2K competition. "The impact on the kids has built their teamwork, problem solving abilities, and even incorporates acting into how they compete," says Shelly.

Clearly, this is a confidence building tool that allows children to capitalize on their creativity and be proud of their ideas. I applaud the positive nature of Destination Imagination, and am glad that so many children across the nation and around the globe are taking part in such an original competition.●

#### RECOGNITION OF "STEPMOTHER'S DAY"

• Mr. SANTORUM. Mr. President, I rise today to offer my support for the many stepparents that contribute to the lives of the children that they help raise. I was sent a letter on May 21, 2000 from Mrs. Joyce Capuzzi informing me that the Sunday after Mother's Day would now be Stepmother's Day.

Joyce's stepdaughter, Lizzie, came to this decision as she recognized the importance of the relationship she has with her stepmother. I commend both Joyce and Lizzie for embracing their new family members in this manner.

Many people are blessed with step-relationships similar to the Capuzzis. However, none have ever illustrated that with the idea of creating a holiday just for the recognition of this type of relationship. It is wonderful that Lizzie Capuzzi holds so much love for her stepmother, and it is my hope that they their relationship can be an example for other stepfamilies.●

# GORDON B. HINCKLEY'S 90TH BIRTHDAY

• Mr. ASHCROFT. Mr. President, I rise today to encourage my colleagues to join me in congratulating Mr. Gordon Hinckley, who celebrated his 90th birthday on June 23, 2000. Mr. Hinckley is a remarkable individual. He has witnessed and been involved in many of the events that have shaped our nation into the greatest the world has ever known. The longevity of his life has meant much more, however, to the many relatives and friends whose lives he has touched over the last 90 years.

Mr. Hinckley's celebration of 90 years of life is a testament to America. His achievements are significant and deserve to be recognized. I would like to join his many friends, relatives, and colleagues in wishing him health and happiness, including rich and fulfilling friendships, in the future. I salute him. •

## MESSAGE FROM THE HOUSE

At 2:16 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that pursuant to section 5(a) of the Abraham Lincoln Bicentennial Commission Act (36 U.S.C. 101 note) and the order of the House of Thursday, June 29, 2000, the Speaker on Friday, June 30, 2000 appointed the following member on the part of the House to the Abraham Lincoln Bicentennial Commission to fill the existing vacancy thereon: Ms. Lura Lynn Ryan of Illinois.

The message also announced that the House passed the following bill, without amendment:

S. 986. An act to direct the Secretary of the Interior to convey the Griffith Project to the Southern Nevada Water Authority.

The message further announced that the House agreed to the following concurrent resolution, without amendment:

S. Con. Res. 129. A concurrent resolution expressing the sense of Congress regarding the importance and value of education in United States history.

The message also announced that the House passed the following bills, in which it requests the concurrence of the Senate:

H.R. 1787. An act to reauthorize the participation of the Bureau of Reclamation in the Deschutes Resources Conservancy, and for other purposes.

H.R. 4132. An act to reauthorize grants for water resources research and technology institutes established under the Water Resources Research Act of 1984.

H.R. 4286. An act to provide for the establishment of the Cahaba River National Wildlife Refuge in Bibb County, Alabama.

The message further announced that the House agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 322. A concurrent resolution expressing the sense of the Congress regarding Vietnamese Americans and others who seek to improve social and political conditions in Vietnam.

## MEASURES REFERRED

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

H.R. 4132. An act to reauthorize grants for water resources research and technology institutes established under the Water Resources Research Act of 1984; to the Committee on Environment and Public Works.

H.R. 4286. An act to provide for the establishment of the Cahaba River National Wildlife Refuge in Bibb County, Alabama; to the Committee on Environment and Public Works.

The following concurrent resolution was read and referred as indicated:

H. Con. Res. 322. A concurrent resolution expressing the sense of the Congress regarding Vietnamese Americans and others who seek to improve social and political conditions in Vietnam; to the Committee on Foreign Relations.

## MEASURES PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 1787. An act to reauthorize the participation of the Bureau of Reclamation in the Deschutes Resources Conservancy, and for other purposes.

## ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, July 11, 2000, he had presented to the President of the United States the following enrolled bill:

S. 148. An act to require the Secretary of the Interior to establish a program to provide assistance in the conservation of neotropical migratory birds.

## EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-9619. A communication from the Inspector General of the National Science Foundation, transmitting, pursuant to law, a notice relative to the fiscal year 2000 audit of the NSF's financial statements; to the Committee on Health, Education, Labor, and Pensions.

EC-9620. A communication from the President of Haskell Indian Nations University, Bureau of Indian Affairs, Department of the Interior, transmitting, pursuant to law, the report of the final plan of the demonstration project for HINU; to the Committee on Indian Affairs.

EC-9621. A communication from the Director of the Office of Regulations Management, Department of Veteran Affairs, transmitting, pursuant to law, the report of a rule entitled "The Veterans Millennium Health Care and Benefits Act" (RIN2900-AK04) received on July 10, 2000; to the Committee on Veterans' Affairs.

EC-9622. A communication from the General Council, Office of Size Standards, Small Business Administration, transmitting, pursuant to law, the report of a rule entitled "Small Business Size Standards: General Building Contractors, Heavy Construction,

Except Building, Dredging and Surface Cleanup Activities, Special Trade Contractors, Garbage and Refuse Collection, Without Disposal, and Refuse Systems" (RIN3245-AE23) received on July 10, 2000; to the Committee on Small Business.

EC-9623. A communication from the Director of Operations and Finance, The American Battle Monuments Commission, transmitting, pursuant to law, the report under the Freedom of Information Act for fiscal year 1999; to the Committee on the Judiciary.

EC-9624. A communication from the Vice-Chairman of the Federal Election Commission, transmitting, pursuant to law, the report of a rule entitled "Election Cycle Reporting by Authorized Committees" received on July 7, 2000; to the Committee on Rules and Administration.

## PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-528. A concurrent resolution adopted by the Legislature of the State of New Hampshire relative to apple cider; to the Committee on Agriculture, Nutrition, and Forestry.

### HOUSE CONCURRENT RESOLUTION 35

Whereas, New Hampshire has over 60 small family-run cider mills which will likely be forced to close if the United States Food and Drug Administration (USFDA) proceeds with new rules requiring pasteurization of apple cider offered for sale to the consuming public; and

Whereas, the costs of installing pasteurization equipment are prohibitive and are beyond the means of all but the very largest commercial apple cider makers; and

Whereas, alternative technologies using either ultraviolet rays or a strict process of washing and rinsing of the raw apples can accomplish the USFDA's goal of a 100,000-fold bacteria reduction: Now, therefore, be it

*Resolved by the House of Representatives, the Senate concurring:* That in order to preserve our tradition of making fine apple cider at local mills based at New Hampshire orchards, we urge the USFDA to defer its proposed rules requiring pasteurization for apple cider and instead consider adoption of processing standards which can achieve the same level of public protection at reasonable cost to our small cider makers; and

That copies of this resolution be sent by the house clerk to the President of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate, the Administrator of the United States Food and Drug Administration, and each member of the New Hampshire congressional delegation.

POM-529. A joint resolution adopted by the Legislature of the State of New Hampshire relative to local television access; to the Committee on Banking, Housing, and Urban Affairs.

### HOUSE JOINT RESOLUTION 26

Whereas, access to local broadcast television signals in certain rural areas is limited or unavailable and measures to facilitate the provision of local signals in unserved and underserved markets is required; and

Whereas, the United States Congress will again consider legislation establishing incentives including loan guarantees for multi-channel video services to provide the access to local broadcast television signals in unserved and underserved rural areas: Now, therefore, be it

*Resolved by the Senate and House of Representatives in General Court convened:* That the New Hampshire Senate and House of Representatives support the improved access to local television for households in unserved and underserved rural areas; and

That the United States Congress is urged to enact legislation which establishes incentives including loan guarantees for multi-channel video services to provide the access to local broadcast television signals in unserved and underserved rural areas; and

That copies of this resolution be sent by the house clerk to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and each member of the New Hampshire congressional delegation.

POM-530. A resolution adopted by the General Assembly of the State of New Jersey relative to domestic dog and cat fur; to the Committee on Commerce, Science, and Transportation.

#### ASSEMBLY RESOLUTION NO. 54

Whereas, A recent investigation conducted by the Humane Society of the United States and others revealed that approximately two million domestic dogs and cats are killed annually worldwide for their fur as part of an extensive international trade in the pelts of these animals, and that the method of killing is often exceedingly cruel; and

Whereas, Domestic dog and cat fur products are sometimes marketed in the United States, as evidenced, for example, by recent news stories reporting the sale of fur-trimmed coats labeled as "Mongolia dog fur" in New Jersey; and

Whereas, Federal law does not prohibit the practices of importing, selling, or using domestic dog or cat fur in garments and only requires the labeling of the fur used when the product costs more than \$150; and

Whereas, The importation and use of domestic dog and cat fur in garments or other products sold in the United States is shocking and does not comport at all with the generally accepted view of these animals as human companions; Now, therefore, be it

*Resolved by the General Assembly of the State of New Jersey:*

1. The Congress of the United States is respectfully memorialized to enact legislation as soon as possible prohibiting the importation into the United States, or sale, of domestic dog or cat fur or any product made in whole or in part therefrom. For the purposes of this resolution, "domestic dog or cat" means a dog (*Canis familiaris*) or cat (*Felis catus* or *Felis domesticus*) that is generally recognized in the United States as being a household pet and shall not include coyote, fox, lynx, bobcat, or any other wild canine or feline species.

2. Duly authenticated copies of this resolution, signed by the Speaker of the General Assembly and attested by the Clerk thereof, shall be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, the majority and minority leaders of the United States Senate and of the United States House of Representatives, every member of Congress elected from the State, the Secretary of the United States Department of Commerce, and the chairman and each commissioner of the Federal Trade Commission.

POM-531. A concurrent resolution adopted by the Legislature of the State of New Hampshire relative to taxes; to the Committee on the Judiciary.

#### HOUSE CONCURRENT RESOLUTION 27

Whereas, separation of powers is fundamental to the United States Constitution

and the power of the federal government is strictly limited; and

Whereas, under the United States Constitution, the states are to determine public policy; and

Whereas, it is the duty of the judiciary to interpret the law, not to create law; and

Whereas, our present federal government has strayed from the intent of our founding fathers and the United States Constitution through inappropriate federal mandates; and

Whereas, these mandates by way of statute, rule, or judicial decision have forced state governments to serve as the mere administrative arm of the federal government; and

Whereas, federal district courts, with the acquiescence of the United States Supreme Court, continue to order states to levy or increase taxes to comply with federal mandates; and

Whereas, these court actions violate the United States Constitution and the legislative process; and

Whereas, the time has come for the people of this great nation and their duly elected representatives in state government to reaffirm, in no uncertain terms, that the authority to tax under the Constitution of the United States is retained by the people who, by their consent alone, do delegate such power to tax explicitly to those duly elected representatives in the legislative branch of government whom they choose, such representatives being directly responsible and accountable to those who have elected them; and

Whereas, several states have petitioned the United States Congress to propose an amendment to the Constitution of the United States of America; and

Whereas, the amendment was previously introduced in Congress; and

Whereas, the amendment seeks to prevent federal courts from levying or increasing taxes without representation of the people and against the peoples' wishes: Now, therefore, be it

*Resolved by the House of Representatives, the Senate concurring:* That the Congress of the United States prepare and submit to the several states an amendment to the Constitution of the United States to add a new article providing as follows: "Neither the Supreme Court nor any inferior court of the United States shall have the power to instruct or order a state or a political subdivision thereof; or an official of such a state or political subdivision, to levy or increase taxes"; and

That this application for an amendment to the Constitution is a continuing application in accordance with Article V of the Constitution of the United States; and

That the house clerk transmit copies of this resolution to the President and Vice President of the United States, the Speaker of the United States House of Representatives, and each member of the New Hampshire Congressional delegation.

POM-532. A resolution adopted by the Council of the City of Cincinnati, Ohio relative to the Individuals with Disabilities Education Act; to the Committee on Health, Education, Labor, and Pensions.

POM-533. A joint resolution adopted by the Legislature of the State of Tennessee relative to proposed ergonomics standards; to the Committee on Health, Education, Labor, and Pensions.

#### SENATE JOINT RESOLUTION NO. 610

Whereas, Tennessee has enacted a comprehensive workers' compensation system with incentives to employers to maintain a safe workplace, to work with employees to prevent workplace injuries, and to com-

pensate employees for injuries that occur; and

Whereas, Section 4(b)(4) of the Federal Occupational Safety and Health Act, 29 U.S.C. §653(b)(4), provides that "Nothing in this chapter shall be construed to supersede or in any manner affect any workmen's compensation law or to enlarge or diminish or affect in any other manner the common law or statutory rights, duties or liabilities of employers and employees under any law with respect to injuries, diseases, or death of employees arising out of, or in the course of, employment."; and

Whereas, The Occupational Safety and Health Administration ("OSHA"), notwithstanding this statutory restriction and the constitutional, traditional and historical role of the states in providing compensation for injuries in the workplace, has nevertheless published a proposed rule that, if adopted, would substantially displace the role of the states in compensating workers for musculoskeletal injuries in the workplace and would impose far-reaching requirements for implementation of ergonomics programs; and

Whereas, The proposed rule creates in effect a special class of workers' compensation benefits for ergonomic injuries, requiring payment of up to six months of wages at ninety percent (90%) of take-home pay and one hundred percent (100%) of benefits for absence from work; and

Whereas, The proposed rule would allow employees to bypass the system of medical treatment provided by Tennessee law for workers' compensation injuries and to seek diagnosis and treatment from any licensed health care provider paid by the employer; and

Whereas, The proposed rule would require employers to treat ergonomic cases as both workers' compensation cases and OSHA cases and to pay for medical treatment under both; and

Whereas, The proposed rule could force all manufacturers to alter workstations, redesign facilities or change tools and equipment, all triggered by the report of a single injury; and

Whereas, The proposed rule would require all American businesses to become full-time experts in ergonomics, a field for which there is little if any credible evidence and as to which there is an ongoing scientific debate; and

Whereas, The proposed rule would cause hardship on businesses and manufacturers with costs of compliance as high as eighteen billion dollars (\$18,000,000,000) annually, without guaranteeing the prevention of a single injury; and

Whereas, The proposed rule may force businesses to make changes that would impair efficiency in distribution centers; and

Whereas, This proposed rule is premature until the science exists to understand the root cause of musculoskeletal disorders, OSHA should not rush to make rules that are likely to result in a loss of jobs without consensus in the scientific and medical communities as to what causes repetitive-stress injuries, and medical researchers must answer fundamental questions surrounding ergonomics before government regulators impose a one-size-fits-all solution: Now, therefore, be it

*Resolved by the Senate of the One Hundred First General Assembly of the State of Tennessee, the House of Representatives concurring:* That this General Assembly hereby memorializes the United States Congress to take all necessary measures to prevent the proposed ergonomics rule from taking effect; and be it further

*Resolved,* That an enrolled copy of this resolution be transmitted to the Speaker and

the Clerk of the United States House of Representatives; the President and the Secretary of the United States Senate; and to each member of the Tennessee Congressional delegation.

POM-534. A resolution adopted by the Legislature of Guam relative to the Earned Credit; to the Committee on Appropriations.

#### RESOLUTION NO. 316

Whereas, Guam's economy has been in a prolonged recession for several years as a result of the Asian economic crisis and a reduction of military spending on Guam, resulting in drastically reduced government revenues; and

Whereas, Guam's working poor have not received their deserved Earned Income Tax Credit benefit over the last two (2) years during an especially bad time for them to go without this money; and

Whereas, in the distant past Federal funds have been used to pay for these purposes; and

Whereas, because of Guam's tax structure, funds for the Earned Income Tax Credit would come out of Guam's local treasury, *not* Federal sources, unlike in the case of state governments, who do *not* have to pay for the Earned Income Tax Credit: Now therefore, be it

*Resolved*, That, I Mina'Bente Singko Na Liheslaturan Guahan does hereby, on behalf of the people of Guam, respectfully request assistance from the United States Congress to appropriate Thirty-five Million Dollars (\$35,000,000) for the purpose of paying for the Earned Income Tax Credit already owed to Guam's working poor; and be it further

*Resolved*, That, I Mina'Bente Singko Na Liheslaturan Guahan does hereby, on behalf of the people of Guam, respectfully request assistance from the United States Congress to appropriate funds annually for the continuing funding of the Earned Income Tax Credit Program; and be it further

*Resolved*, That the Speaker certify, and the Legislative Secretary attests to, the adoption hereof and that copies of the same be thereafter transmitted to the Honorable William Jefferson Clinton, President of the United States of America; to the Honorable Albert Gore, Jr., President of the U.S. Senate; to the Honorable J. Dennis Hastert, Speaker of the U.S. House of Representatives; to the Honorable Frank H. Murkowski, U.S. Senate; to the Honorable Don Young, U.S. Senate; to the Honorable Robert A. Underwood, Member of Congress, U.S. House of Representatives; and to the Honorable Carl T.C. Gutierrez, I Magna'lahen Guahan.

POM-535. A joint resolution adopted by the Legislature of the State of New Hampshire relative to the Ricky Ray Hemophilia Relief Fund Act; to the Committee on Appropriations.

#### HOUSE JOINT RESOLUTION 20

Whereas, Congress passed the Ricky Ray Hemophilia Relief Fund Act of 1998; and

Whereas, the Ricky Ray Hemophilia Relief Fund Act was passed to provide for compassionate payments to individuals with blood-clotting disorders, such as hemophilia, who contracted the human immunodeficiency virus due to contaminated blood products; and

Whereas, in its review of the events surrounding the HIV infection of thousands of people with blood-clotting disorders, such as hemophilia, a 1995 study, entitled "HIV and Blood Supply", of the Institute of Medicine found a failure of leadership and an inadequate institutional decision-making process in the system responsible for ensuring blood safety, concluding that a failure of leadership led to less than effective donor screening, weak regulatory actions, and insuffi-

cient communication to patients about the risk of AIDS; and

Whereas, this legislation, named after a teen-age hemophiliac who died from AIDS, was enacted to provide financial relief to the families of hemophiliacs who were devastated by the federal government's policy failure in its handling of the AIDS epidemic; and

Whereas, now that the relief bill has been signed into law by the President, Congress has been reticent to fund it: Now, therefore, be it

*Resolved by the Senate and House of Representatives in General Court convened*: That the New Hampshire general court hereby urges Congress to fully fund the Ricky Ray Hemophilia Relief Fund, enacted into law under the Ricky Ray Hemophilia Relief Fund Act of 1998, in 1999 so that there is no delay between the authorization and timely appropriation of this relief; and

That copies of this resolution signed by the governor, the speaker of the house of representatives, and the president of the Senate be forwarded by the house clerk to the Speaker of the United States House of Representatives, the President of the United States Senate, the President of the United States and to each member of the New Hampshire congressional delegation.

POM-536. A resolution adopted by the General Assembly of the State of New Jersey relative to the Sterling Forest, New York; to the Committee on Appropriations.

#### ASSEMBLY RESOLUTION NO. 106

Whereas, Sterling Forest, located in southern New York and northern New Jersey, is one of the last major undeveloped areas in the New York City metropolitan area; and

Whereas, Two important northern New Jersey drinking water sources, the Monksville Reservoir and the Wanaque Reservoir, are fed in part by streams with headwaters in Sterling Forest, and these reservoirs supply drinking water to more than two million people; and

Whereas, The State of New Jersey, particularly Passaic county, has already taken action to acquire the approximately 2,000 acres of Sterling Forest lying within New Jersey, but the major portion of the forest lies within New York; and

Whereas, In February 1998, the State of New York, with the assistance of the Palisades Interstate Park Commission, purchased 15,280 acres of land to create Sterling Forest State Park at a cost of \$55 million, of which sum \$10 million was contributed by the State of New Jersey, \$17.5 million was contributed by the federal government, \$11.5 million was contributed by various private organizations and individuals, and \$16 million was contributed by the State of New York; and

Whereas, Notwithstanding that purchase, for various reasons significant acreage located in several critical areas of Sterling Forest was not acquired at that time; and

Whereas, In February 2000, Governor Pataki of New York announced the purchase of 868 acres and an agreement to purchase an additional 1,100 acres of critically important land as part of a major expansion of Sterling Forest State Park; and

Whereas, The proposed purchase of 1,100 acres will cost \$8 million, of which sum the State of New York will contribute \$4 million, Governor Whitman of New Jersey has announced that the State of New Jersey will contribute \$1 million, and, with respect to the remainder, Governor Pataki has requested funding therefor from the federal government and will seek additional financial assistance from various private partners: Now, therefore, be it

*Resolved by the General Assembly of the State of New Jersey*:

1. The federal government is respectfully memorialized to provide additional funding to assist in the purchase and preservation of certain portions of Sterling Forest in the State of New York.

2. Duly authenticated copies of this resolution, signed by the Speaker of the General Assembly and attested by the Clerk thereof, shall be transmitted to the President of the United States, the Vice President of the United States, the Speaker of the United States House of Representatives, the Majority and Minority Leaders of the United States Senate and the United States House of Representatives, every Member of Congress elected from the State of New Jersey and from the State of New York, the Secretary of the United States Department of Agriculture, the Secretary of the United States Department of the Interior, the Governor of the State of New York, the Palisades Interstate Park Commission, and the New Jersey District Water Supply Commission.

POM-537. A joint resolution adopted by the Legislature of the State of New Hampshire relative to the Balanced Budget Act of 1997; to the Committee on Finance.

#### HOUSE JOINT RESOLUTION 22

Whereas, the Medicare program has made medical services available to millions of senior and disabled citizens since its inception in 1965; and

Whereas, the success of the Medicare program relies on a fair and responsible partnership between the public and private sector to provide appropriate medical services for all eligible individuals; and

Whereas, the Balanced Budget Act of 1997 included the most comprehensive reforms to the Medicare program since its passage, resulting in a range of unintended consequences that are affecting the New Hampshire medical service delivery system accessed by our most frail and needy citizens and provided through hospitals, skilled nursing facilities, and home health agencies; and

Whereas, the Medicare revenue reductions projected by the Balanced Budget Act were intended only to slow the growth of Medicare expense, but have actually resulted in a reduction of Medicare expense that brings the 1999 expense below that of 1997 despite inflation factors of 3-5 percent during that time; and

Whereas, New Hampshire Medicare reimbursement to hospitals will be reduced by as much as an additional \$200,000,000 over the next 4 years above the reductions already experienced; and

Whereas, New Hampshire home health agencies reimbursement has been reduced by \$24,000,000 to date and will be reduced by an additional 15 percent of the present Medicare reimbursement by October 1, 2001; and

Whereas, further reductions will seriously damage both beneficiary access to care and the ability of providers to continue to provide needed levels of service; and

Whereas, the ameliorative measures prescribed by the Balanced Budget Refinement act of 1999 provide too little relief, restoring less than 10 percent of the reduction of Medicare revenue resulting from the Balanced Budget Act of 1997: Now, therefore, be it

*Resolved by the Senate and the House of Representatives in General Court convened*: That the President of the United States and Congress instruct the Health Care Financing Administration and its fiscal intermediaries that the legislative intent under the Balanced Budget Act of 1997 has been accomplished; and

That the President of the United States and Congress act to eliminate further Medicare revenue reductions of the Act and thereby protect beneficiaries' access to quality care when needed; and

That copies of this resolution, signed by the President of the Senate and the Speaker of the House of Representatives, be forwarded by the house clerk to the President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives, and to each member of the New Hampshire Congressional delegation.

POM-538. A resolution adopted by the General Assembly of the State of New Jersey relative to the Internal Revenue Code; to the Committee on Finance.

#### ASSEMBLY RESOLUTION NO. 48

Whereas, The Internal Revenue Code currently provides that an individual's personal income tax filing status depends upon whether that individual is considered married or unmarried; and

Whereas, When a married couple elects the personal income tax filing status of married filing jointly, their incomes are aggregated which often places them in a higher income tax bracket and increases their tax liability; and

Whereas, There are nearly 21 million working married couples in the United States who, as a result of the current Internal Revenue Code, pay an average of \$1,400 more in taxes than an unmarried couple of identical financial means; and

Whereas, For many Americans, especially for working couples with lower incomes, \$1,400 represents a considerable amount of money that could be used for other necessities of life, such as child care, college tuition or retirement savings; and

Whereas, Many working married Americans view the payment of these higher taxes as a marriage penalty which serves as an incentive to dissolve their marriage; and

Whereas, Many unmarried working Americans view their marriage penalty as a disincentive to enter into the bonds of marriage, choosing instead to live together outside of marriage; and

Whereas, Government policy should strengthen families and encourage marriage rather than penalize those who choose to marry; and

Whereas, It is altogether fitting and proper that the Legislature memorialize the United States Congress to enact H.R. 2456, known as the Marriage Tax Elimination Act, which amends the Internal Revenue Code to provide that married couples may file a combined return under which each spouse is taxed using the rates applicable to unmarried individuals: Now, therefore, be it

*Resolved by the General Assembly of the State of New Jersey:*

1. The General Assembly respectfully memorializes the United States Congress to enact H.R. 2456, the Marriage Tax Elimination Act, which would amend the Internal Revenue Code to provide that married couples may file a combined return under which each spouse is taxed using the rates applicable to unmarried individuals. The Marriage Tax Elimination Act would eliminate the marriage penalty tax and bring greater parity between the tax burden imposed on similarly situated working married couples and that placed on couples living outside of marriage. Such an amendment to the Internal Revenue Code will serve to strengthen marriages and families, allow working married couples to retain more of their own resources, reduce their financial pressures, and enable them to provide for other important necessities of life, such as child care, college tuition and retirement savings.

2. Duly authenticated copies of this resolution, signed by the Speaker of the General Assembly and attested by the Clerk thereof, shall be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and every member of the United States Congress elected from the State of New Jersey.

POM-539. A resolution adopted by the House of the Legislature of the Commonwealth of Pennsylvania relative to health plan coverages; to the Committee on Finance.

#### HOUSE RESOLUTION NO. 380

Whereas, Pennsylvania ranks second only to Florida in the proportion of the total population of the State that is 65 years of age and older; and

Whereas, In 1997 the Medicare+Choice program was established to expand health plan options by permitting types of plans other than health maintenance organizations to participate in Medicare; and

Whereas, In response to excess payments made to participating health plans, the Balanced Budget Act of 1997 (Public Law 105-33, 111 Stat. 251) enacted payment revisions in the Medicare+Choice program to reduce future excess payments; and

Whereas, Participating health plans in the Commonwealth of Pennsylvania, such as Highmark Blue Cross, Blue Shield's Security Blue and Aetna/US Healthcare's plan, have either increased rates substantially or reduced benefits; and

Whereas, Some counties in the Commonwealth of Pennsylvania have been more severely affected by the problems of plan withdrawals, increases in premiums and decreases in benefit packages; and

Whereas, The Federal Health Care Financing Administration is authorized to review and approve Medicare prepaid health plan rates annually; therefore be it

*Resolved*, That the House of Representatives of the Commonwealth of Pennsylvania memorialize Congress to investigate health insurance premium increases for Medicare health maintenance organization coverage and other types of participating health plan coverage; and be it further

*Resolved*, That copies of this resolution be transmitted to the presiding officers of each house of Congress and to each member of Congress from Pennsylvania.

POM-540. A resolution adopted by the Senate of the Legislature of the Commonwealth of Puerto Rico relative to China; to the Committee on Finance.

#### SENATE RESOLUTION NO. 3459

##### STATEMENT OF PURPOSES

The accession of China to the World Trade Organization ("WTO") would potentially add \$1.6 billion by 2005 to the annual tally of global U.S. exports of grains, oilseeds, oilseed products, and cotton. Much of the \$1.6 billion represents direct sales to China in the listed commodities, which would enjoy significantly greater access to the immense Chinese market, and the referenced figure does not take into account other commodities, such as fruit and vegetables, animal products, and tree nuts, which would also enjoy increased access once these duty reductions are implemented.

To underscore the importance of the Chinese market to the United States economy, it is worth noting that U.S. agricultural exports to China over the past twenty (20) years have grown from negligible levels to \$1.1 billion in fiscal year 1999. Estimates of additional exports under China's pending accession to the WTO are based on a preliminary analysis by the U.S. Department of Ag-

riculture's Economic Research Service ("ERS"), which analysis is based on China's WTO commitments under the comprehensive bilateral trade agreement with the United States.

In its efforts to join the WTO, China has already made significant one-way market-opening accessions across virtually every economic sector, including agriculture, manufactured goods, services, technology, and telecommunications. Farmers, workers and industries from all over the fifty (50) states, as well as U.S. territories and possessions, will greatly benefit from increased access to China's market of over one (1) billion people.

In agriculture, tariffs on U.S. priority products, such as beef, dairy and citrus fruits, will drop from an average of 31% to 14% in January 2004. China will also expand access for bulk agricultural products such as wheat, corn, cotton, soybeans and others; allow for the first time private trade in said products; and eliminate export subsidies. In manufactures, Chinese industrial tariffs will fall from an average of 25% in 1997 to 9.4% in 2005. In information technology, tariffs on products such as computers, semiconductors, and all Internet-related equipment will fall to zero by 2005. In services, China will open markets for distribution, telecommunications, insurance, express delivery, banking, law, accounting, audiovisual, engineering, construction, environmental services, and other industries.

At present, China severely restricts trading rights, i.e., the right to import and export, as well as the ability to own and operate distribution networks, which are essential in order to move goods and compete effectively in any market. Under the proposed agreement, China will phase in such trading rights and distribution services over three (3) years, and also open up sectors related to distribution services, such as repair and maintenance, warehousing, trucking and air courier services. This will allow American businesses to export directly to China and to have their own distribution network in China, rather than being forced to set up factories in China to sell products through Chinese partners, as has been frequently the case until now.

At the same time, the proposed agreement offers China no increased access to American markets. The United States agrees only to maintain the market access policies that already apply to China, and have for over twenty (20) years, by making China's current Normal Trade Relations status permanent. WTO rules require that members accord each other such status on an unconditional basis.

If Congress does not grant China "Permanent Normal Trade Relations" status, our European, Asian, Canadian and Latin American competitors will reap the benefits of China's WTO accession, but China would not be required to accord these benefits to the United States.

In addition to purely economic considerations, China's accession to the WTO will promote reform, greater individual freedom, and strengthen the rule of law in China, which is why the commitments already made represent a remarkable victory for Chinese economic reformers. Furthermore, WTO accession will give the Chinese people greater access to information, and weaken the ability of hardliners in the Chinese government to isolate China's public from outside ideas and influences. In view of these facts, it is not surprising that many of China's and Hong Kong's activists for democracy and human rights—including Martin Lee, the leader of Hong Kong's Democratic Party, and Ren Wandong, a prominent dissident who has spent many years of his life in prison—see China's WTO accession as the most important step toward reform in the past two decades.

Finally, WTO accession will increase the chance that in the new century, China will be an integral part of the international system, abiding by accepted rules of international behavior, rather than remain outside the system, denying or ignoring such rules. From the U.S. perspective, PNTR advances the American people's larger interest to bring China into international agreements and institutions that can make it a more constructive player in the current world, with a significant stake in preserving peace and stability.

For all of the above considerations, the Senate of Puerto Rico joins in urging the President and the Congress of the United States to pass a Permanent Normal Trade Relations ("PNTR") agreement with China at the earliest possible moment, which will provide American farmers, workers and industries with substantially greater access to the Chinese market, to the ultimate benefit of the U.S. economy in general and the American people in particular.

*Be it resolved by the Senate of Puerto Rico:*

SECTION 1.—To urge the President and the Congress of the United States to approve a Permanent Normal Trade Relations ("PNTR") agreement with China at the earliest possible date in order to promote security and prosperity for American farmers, workers and industries by providing substantially greater access to the Chinese market.

SECTION 2.—This Resolution will be officially notified to the Honorable William Jefferson Clinton, President of the United States, to the Honorable Albert Gore, Jr., Vice-President of the United States, to the Honorable Trent Lott, United States Senate Majority Leader, and to the Honorable J. Dennis Hastert, Speaker of the United States House of Representatives, as well as selected Members of the United States Congress.

SECTION 3.—This Resolution will be publicized by making copies thereof available to the local, state and national media.

SECTION 4.—This Resolution will become effective immediately upon its approval by the Senate of Puerto Rico.

POM-541. A concurrent resolution adopted by the Legislature of the State of Louisiana relative to Internal Revenue Code; to the Committee on Finance.

#### HOUSE CONCURRENT RESOLUTION No. 16

Whereas, many employees of the state of Louisiana participate in one of the four public retirement systems sponsored by the state, and these employees contribute to the applicable system in order to provide benefits which are payable to their minor children upon the death of any such employee; and

Whereas, based on federal law, the federal Internal Revenue Service allows five thousand dollars of such death benefits payable from a state retirement system to the children of deceased state employees to be excluded from gross income for the purposes of taxation, but requires any amount of benefits above that sum to be taxed as "investment income" under Section 61(a) of the federal Internal Revenue Code, which is contrary to the source and nature of such death benefits; and

Whereas, in contrast to state employment, there are many more people who are employed in the "private sector", who participate in the federal social security system and who pay contributions to that system in order to provide benefits which are payable to their minor children upon the death of any such employee; and

Whereas, also in contrast to state employment, Section 86(a) of the federal Internal Revenue Code provides an exclusion from gross income in an amount equal to one-half

of death benefits payable from the social security system to children of deceased private sector employees, with the remaining half being treated as ordinary income, and prior to the 1983 tax year all such benefits were excluded from taxable income; and

Whereas, it is patently unfair to require a limit of five thousand dollars for the exclusion from income of death benefits payable to the children of public sector employees and to treat all such benefits above that limit as investment income, while simultaneously allowing an exclusion of one-half of such benefits payable to children of private sector employees and treating all such benefits above that limit as ordinary income, but not as investment income: Therefore, be it

*Resolved*, That the Legislature of Louisiana does hereby memorialize the United States Congress to amend Section 86(a) of the United States Internal Revenue Code, regarding the children of deceased public sector employees who receive death benefits from a state-sponsored retirement system, to provide those children with an exclusion from gross income equal to one-half of such benefits and to treat all such benefits above that limit as ordinary income, but not as investment income, and thereby bring equality of treatment to children of deceased public and private sector employees; be it further

*Resolved*, That a copy of this Resolution be transmitted to the presiding officers of the Senate and the House of Representatives of the Congress of the United States of America and to each member of the Louisiana congressional delegation.

POM-542 A resolution adopted by the City Council of Westfield, Massachusetts relative to Vieques, Puerto Rico; to the Committee on Armed Services.

POM-543 A petition from a Citizen of the State of Maryland relative to the Environmental Protection Agency; to the Committee on Environment and Public Works.

POM-544. A joint resolution adopted by the Legislature of the State of New Hampshire relative to the Clean Air Act; to the Committee on Environment and Public Works.

#### HOUSE JOINT RESOLUTION 21

Whereas, the federal Clean Air Act provisions for best available control technology (BACT), lowest achievable emission rate (LAER), and other similar requirements have been applied such that the availability of alternative technology with slightly superior emissions reduction than a base technology could require the use of the alternative technology by all new sources; and

Whereas, the federal Clean Air Act could require this even if the alternative technology provides only slightly more emissions reduction than the base technology, or the alternative is significantly less reliable, less tested, less used, or less available than the base technology, or if the alternative technology is significantly less cost-effective than the base technology; and

Whereas, these requirements have sometimes had the effect of delaying the implementation of more cost-effective, more proven technologies with only slightly less emissions reduction, so as to increase the total amount of pollution emitted; and

Whereas, legal actions regarding the application of these BACT provisions have delayed the construction of at least one low-polluting combined cycle natural gas electric generating facility in New England; and

Whereas, these undesirable side effects should not be allowed to impede desirable cost-effective emissions reductions that lead to air quality improvements; and

Whereas, when the United States Environmental Protection Agency issued its new ozone and particulate matter standards in

July, 1997, its new standards were accompanied by a message from President Clinton urging that an upper bound be placed on the cost of implementing emission reductions to meet these standards: Now, therefore, be it

*Resolved by the Senate and House of Representatives in General Court convened:* That the United States Congress should amend the federal Clean Air Act requirements for best available control technology, lowest achievable emission rate, and other similar requirements, so that cost-effective emissions reductions can be promptly implemented without these undesirable side effects; and

That the federal Clean Air Act specifically be amended so that the availability of alternative technology with slightly superior emissions reduction than a base technology does not necessarily require the complete replacement of the base technology by the alternative technology, especially if the additional emissions reduction is small compared with the base technology; if the alternative technology is significantly less reliable, less tested, less used, or less available than the base technology; or if the alternative technology is significantly less cost-effective than the base technology; and

That copies of this resolution signed by the governor, the speaker of the house of representatives, and the president of the senate be forwarded by the house clerk to the Speaker of the United States House of Representatives, the President of the United States Senate, the President of the United States, the Administrator of the United States Environmental Protection Agency, and to each member of the New Hampshire congressional delegation.

POM-545. A joint resolution adopted by the Legislature of the State of New Hampshire relative to gasoline; to the Committee on Environment and Public Works.

#### HOUSE JOINT RESOLUTION 24

Whereas, the United States Environmental Protection Agency's National Blue Ribbon Panel on MTBE has recently examined oxygenates in gasoline in general, and methyl t-butyl ether (MTBE) in particular, and has concluded that the oxygenate requirement for gasoline of the federal Clean Air Act should be eliminated and that the use of MTBE in gasoline should be phased out; and

Whereas, state by state standards for gasoline composition would result in a complex and inefficient regulatory system for fuels, with negative financial effects on refiners and consumers: Now, therefore, be it

*Resolved by the Senate and House of Representatives in General Court convened:* That the United States Congress should promptly eliminate the oxygenate requirement for gasoline of the federal Clean Air Act; and

That the United States Environmental Protection Agency should encourage the United States Congress to promptly eliminate the oxygenate requirement for gasoline of the federal Clean Air Act; and

That the United States Congress and the United States Environmental Protection Agency should work with the northeastern states and with gasoline refiners to promptly develop and approve a consistent, effective regional specification for gasoline containing significantly less or no MTBE additive; and

That copies of this resolution signed by the governor, the speaker of the house of representatives, and the president of the senate be forwarded by the house clerk to the Speaker of the United States House of Representatives, the President of the United States Senate, the President of the United States, the Administrator of the United States Environmental Protection Agency,

and to each member of the New Hampshire congressional delegation.

POM-546. A concurrent resolution adopted by the Legislature of the State of Louisiana relative to the Coastal Wetlands Planning, Protection, and Restoration Act Task Force; to the Committee on Environment and Public Works.

#### HOUSE CONCURRENT RESOLUTION NO. 12

Whereas, the Coastal Wetlands Planning, Protection and Restoration Act (CWPPRA), known as the "Breaux Act" sponsored by Senator John Breaux, provides approximately \$40 million per year in federal funding for the Louisiana wetlands protection and restoration projects approved by the CWPPRA Task Force; and

Whereas, Louisiana's barrier islands are the primary line of defense against waves from the Gulf of Mexico and protect our extensive estuarine system and the mainland marshes; and

Whereas, barrier islands help keep one of the nation's most productive fisheries vibrant, provide habitat to wildlife and furnish storm protection for homes, roads, waterways, and oil industry infrastructure; and

Whereas, these barrier islands provide valuable habitat for migratory birds, nesting shorebirds and waterfowl, and aquatic nursery habitats for fish and shellfish; and

Whereas, restoration is critical to sustaining the barrier islands and reducing mainland marsh loss; and

Whereas, the erosion and breaching of barrier islands reduces their effectiveness in preventing storm surges from reaching mainland marshes and results in increased wave damage to bay marshes; and

Whereas, Louisiana, which contains forty percent of the wetlands in the forty-eight contiguous states, is losing between twenty-five and thirty-five square miles of valuable marine habitat a year, mainly due to erosion, subsidence, and other forces; and

Whereas, the barrier islands are estimated to disappear by about 2018 if nothing is done; and

Whereas, coastal restoration projects are selected by the CWPPRA Task Force based upon the project's overall impact on coastal restoration; and

Whereas, the current selection process does not adequately appreciate the full repercussions of barrier island erosion and loss on the entire coastline; therefore be it

*Resolved*, That the Legislature of Louisiana memorializes the Congress of the United States and urges the CWPPRA Task Force to support modifying the selection process for projects under the Breaux Act to consider other benefits that barrier island restoration projects provide in addition to vegetated wetland benefits; be it further

*Resolved*, That a copy of the Resolution be transmitted to the secretary of the United States Senate and the clerk of the United States House of Representatives, to each member of the Louisiana congressional delegation, and to the chairman of the CWPPRA Task Force.

POM-547. A resolution adopted by the House of the General Assembly of the State of Rhode Island relative to gasoline; to the Committee on Environment and Public Works.

#### HOUSE RESOLUTION

Whereas, The 1990 amendments to the federal Clean Air Act (CAA) mandated the addition of oxygenates in reformulated gasoline (RFG) at a minimum of 2% of content by weight to reduce the concentration of various types of air contaminants, including ozone and carbon monoxide, in regions of the country exceeding National Ambient Air

Quality Standards, and states that opted into the program; and

Whereas, Methyl tertiary-butyl ether (MtBE), the most commonly used gasoline oxygenate in the United States and Rhode Island, is being detected in surface and groundwater supplies throughout the United States due to leaking underground petroleum storage tanks, spills, and other accidental discharges; and

Whereas, Because MtBE is highly soluble in water, spills and leaks involving MtBE-laden gasoline are considerably more expensive and difficult to remediate than those involving conventional gasoline; and

Whereas, A "Blue Ribbon Panel" of the U.S. Environmental Protection Agency called for the elimination of the federal oxygenate requirement and for the reduction of the use of MtBE in gasoline because of public health concerns associated with MtBE in water supplies; and

Whereas, The prescriptive requirements in the 1990 Clean Air Act Amendments for oxygenate content restrict the State's ability to address groundwater contamination and air quality issues: Now therefore be it

*Resolved*, That the State of Rhode Island and Providence Plantations respectfully urges and requests that the United States Congress remove the requirement in the Clean Air Act for 2% of content by weight oxygenate in reformulated gasoline while maintaining the toxic emissions reductions benefits achieved to date by the RFG program so that additional alternate fuel mixtures may be available for use in Rhode Island; and be it further

*Resolved*, That the Secretary of State be and he hereby is authorized and directed to transmit a duly certified copy of this resolution to the Honorable William J. Clinton, President of the United States, the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States and to each member of the Rhode Island Congressional Delegation.

POM-548. A resolution by the Legislature of the State of New York relative to the Great Lakes; to the Committee on Environment and Public Works.

#### LEGISLATIVE RESOLUTION

Whereas, Water is a critical resource that is essential for all forms of life and for a broad range of economic and social activities; and

Whereas, The Great Lakes support 33 million people as well as a diversity of the plant and animal populations; and

Whereas, The Great Lakes contain roughly 20% of the world's freshwater and 95% of the freshwater of the United States; and

Whereas, The Great Lakes are predominantly non-renewable resources with approximately only 1% of their water renewed annually by precipitation, surface water runoff and inflow from groundwater sources; and

Whereas, The Great Lakes Basin is an integrated and fragile ecosystem with its surface and groundwater resources a part of a single hydrologic system, which should be dealt with as a whole in ways that take into account water quantity, water quality and ecosystem integrity; and

Whereas, Sound science must be the basis for water resource management policies and strategies; and

Whereas, Scientific information supports the conclusion that a relatively small volume of water permanently removed from sensitive habits may have grave ecological consequences; and

Whereas, Single and cumulative bulk removals of water from drainable basins such as interbasin transfers, reduce the resiliency of a system and its capacity to cope with fu-

ture, unpredictable stresses, including potential introduction of non-native species and diseases to receiving waters; and

Whereas, There is uncertainty about the availability of Great Lakes water in the future in light of previous variations in climatic conditions, climate change, demands on water—cautions should be used in managing water to protect the resource for the future; and

Whereas, A report from The International Joint Commission, released March 15, 2000, recommends that Canadian and U.S. federal, provincial and state governments should not permit the removal of water from the Great Lakes Basin unless the proponent can demonstrate that the removal will not endanger the integrity of the Great Lakes Ecosystem; and

Whereas, Canada has already introduced legislation to amend the Boundary Waters Treaty Act to prohibit bulk water withdrawals from the Great Lakes: Now, therefore, be it

*Resolved*, That this Legislative Body pause in its deliberations to urge the New York State Congressional Delegation to effectuate an amendment to the Boundary Waters Treaty Act to prohibit bulk water withdrawals from the Great Lakes to preserve the integrity and environmental stability of the Great lakes; and be it further

*Resolved*, That copies of this Resolution, suitably engrossed, be transmitted to each member of the United States Congressional Delegation of the State of New York; to the Vice President of the United States in his capacity as President of the United States Senate; to the Speaker of the United States House of Representatives; to the Clerk of the United States House of Representatives; to the Secretary of the United States Senate; and to the Administrator of the United States Environmental Protection Agency.

#### REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HELMS, from the Committee on Foreign Relations, without amendment:

S. 2844: An original bill to amend the Foreign Assistance Act of 1961 to authorize the provision of assistance to increase the availability of credit to microenterprises lacking full access to credit, to establish a Microfinance Loan Facility, and for other purposes (Rept. No. 106-335).

S. 2845: An original bill to authorize additional assistance to countries with large populations having HIV/AIDS, to authorize assistance for tuberculosis prevention, treatment, control, and elimination, and for other purposes (Rept. No. 106-336).

By Mr. THOMPSON, from the Committee on Governmental Affairs, without amendment:

S. 2712: A bill to amend chapter 35 of title 31, United States Code, to authorize the consolidation of certain financial and performance management reports required of Federal agencies, and for other purposes (Rept. No. 106-337).

#### 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 Mr. HELMS:

S. 2844. An original bill to amend the Foreign Assistance Act of 1961 to authorize the provision of assistance to increase the availability of credit to microenterprises lacking



full access to credit, to establish a Micro-finance Loan Facility, and for other purposes; placed on the calendar.

By Mr. HELMS:

S. 2845. An original bill to authorize additional assistance to countries with large populations having HIV/AIDS, to authorize assistance for tuberculosis prevention, treatment, control, and elimination, and for other purposes; placed on the calendar.

By Mr. ROCKEFELLER:

S. 2846. A bill to extend the suspension of duty for certain chemicals; to the Committee on Finance.

By Mr. ABRAHAM:

S. 2847. A bill to modify the River and Harbor Act of 1886 to authorize Corps of Engineer authority over an extended portion of the Clinton River; to the Committee on Environment and Public Works.

By Mr. BINGAMAN:

S. 2848. A bill to provide for a land exchange to benefit the Pecos National Historical Park in New Mexico; to the Committee on Energy and Natural Resources.

By Mr. HARKIN:

S. 2849. A bill to create an independent office in the Department of Labor to advocate on behalf of pension participants, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. MOYNIHAN:

S.J. Res. 49. A joint resolution recognizing Commodore John Barry as the first flag officer of the United States Navy; to the Committee on Armed Services.

## SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated, on June 30, 2000:

By Ms. COLLINS (for herself, Mr. MOYNIHAN, Mr. KYL, Mr. GREGG, Mr. LEAHY, and Mrs. HUTCHISON):

S. Res. 333. A resolution expressing the sense of the Senate that there should be parity among the countries that are parties to the North American Free Trade Agreement with respect to the personal exemption allowance for merchandise purchased abroad by returning residents, and for other purposes; to the Committee on Finance.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BINGAMAN:

S. 2848. A bill to provide for a land exchange to benefit the Pecos National Historical Park in New Mexico; to the Committee on Energy and Natural Resources.

### PECOS NATIONAL HISTORICAL PARK LAND EXCHANGE ACT OF 2000

Mr. BINGAMAN. Mr. President, today, I am introducing the "Pecos National Historical Park Land Exchange Act of 2000. This bill will facilitate a land exchange between the Federal government and a private landowner that will benefit the Pecos National Historical Park in my State of New Mexico.

Specifically, the bill will enable the Park Service to acquire a private inholding within the park's boundaries in exchange for the transfer of a nearby tract of national forest system land. The national forest parcel has been

identified as available for exchange in the Santa Fe National Forest Land and Resource Management Plan and is surrounded by private lands on three sides.

Pecos National Historical Park possesses exceptional historic and archaeological resources. Its strategic location between the Great Plains and the Rio Grande Valley has made it the focus of the region's 10,000 years of human history. The park preserves the ruins of the great Pecos pueblo, a major trade center and the ruins of two Spanish colonial missions dating from the 17th and 18th centuries.

The Glorieta Unit of the park protects key sites associated with the 1862 Civil War Battle of Glorieta Pass, a significant event that ended the Confederate attempt to expand the war into the west. This unit will directly benefit from the land exchange.

I ask unanimous consent that the full text of the bill I have introduced today be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Pecos National Historical Park Land Exchange Act of 2000."

#### SEC. 2. DEFINITIONS.

As used in this Act—

(1) the term "Secretaries" means the Secretary of the Interior and the Secretary of Agriculture; and

(2) the term "landowner" means Harold and Elizabeth Zuschlag, owners of land within the Pecos National Historical Park.

(3) the term "map" means a map entitled "Pecos National Historical Park Land Exchange" and dated June 27, 2000.

#### SEC. 3. LAND EXCHANGE.

(a) Upon the conveyance by the landowner to the Secretary of the Interior of the lands identified in subsection (b), the Secretary of Agriculture shall convey the following lands and interests to the landowner, subject to the provisions of this Act:

(1) approximately 160 acres of Federal lands and interests therein within the Santa Fe National Forest in the State of New Mexico, as generally depicted on the map; and

(2) an easement for water pipelines to two existing well sites, located within the Pecos National Historical Park, as provided in this paragraph.

(A) The Secretary of the Interior shall determine the appropriate route of the easement through Pecos National Historical Park and such route shall be a condition of the easement. The Secretary of the Interior may add such additional terms and conditions to the easement as he deems appropriate.

(B) The easement shall be established, operated, and maintained in compliance with all Federal laws.

(b) The lands to be conveyed by the landowner to the Secretary of the Interior comprise approximately 154 acres within the Pecos National Historical Park as generally depicted on the map.

(c) The Secretary of Agriculture shall convey the lands and interests identified in subsection (a) only if the landowner conveys a deed of title to the United States, that is acceptable to and approved by the Secretary of the Interior.

(d) TERMS AND CONDITIONS.—

(1) IN GENERAL.—Except as otherwise provided in this Act, the exchange of lands and interests pursuant to this Act shall be in accordance with the provisions of section 206 of the Federal Land Policy and Management Act (43 U.S.C. 1716) and other applicable laws.

(2) VALUATION AND APPRAISALS.—The values of the lands and interests to be exchanged pursuant to this Act shall be equal, as determined by appraisals using nationally recognized appraisal standards including the Uniform Appraisal Standards for Federal Land Acquisition. The landowner shall pay the cost of the appraisals.

(3) COMPLETION OF THE EXCHANGE.—The exchange of lands and interests pursuant to this Act shall be completed not later than 90 days after the Secretary of the Interior approves the appraisals.

(4) ADDITIONAL TERMS AND CONDITIONS.—The Secretaries may require such additional terms and conditions in connection with the exchange of lands and interests pursuant to this Act as the Secretaries consider appropriate to protect the interests of the United States.

#### SEC. 4. BOUNDARY ADJUSTMENT AND MAPS.

(a) Upon acceptance of title by the Secretary of the Interior of the lands and interests conveyed to the United States pursuant to section 4 of this Act, the boundaries of the Pecos National Historical Park shall be adjusted to encompass such lands. The Secretary of the Interior shall administer such lands in accordance with the provisions of law generally applicable to units of the National Park System, including the Act entitled "An Act to establish a National Park Service, and for other purposes", approved August 25, 1916 (16 U.S.C. 1, 2-4).

(b) The map shall be on file and available for public inspection in the appropriate offices of the Secretaries.

(c) Not later than 180 days after completion of the exchange described in section 3, the Secretaries shall transmit the map accurately depicting the lands and interests conveyed to the Committee on Energy and Natural Resources of the United States Senate and the Committee on Resources of the United States House of Representatives.

By Mr. HARKIN:

S. 2849. A bill to create an independent office in the Department of Labor to advocate on behalf of pension participants, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

#### PENSION PARTICIPANTS ADVOCACY OFFICE LEGISLATION

Mr. HARKIN. Mr. President, I am pleased to introduce the "Pension Participant Advocacy Act." A similar measure is being introduced by Congressman ROB ANDREWS in the House.

It is no secret that the elderly population in America is growing at an unprecedented rate. In 1996, about one in every eight Americans was age 65 or older—that amounts to 33.9 million Americans. That number is expected to double by 2030.

Generally, people work for three main benefits, their salary or wages, their health care and their pensions. Of the three, most people tend to focus least on their pensions, at least till they near retirement. But, pensions are not only very important, they are highly variable in their generosity.

Ideally, retirement is a three-legged stool. One leg is Social Security. It is

run by the federal government. Almost all employees and their employers are required to pay into Social Security. Appropriately, there is a great deal of legislative concern about Social Security, the only funds available to many retirees. Another leg is regular personal savings generally outside of Congress' purview. And, the third is pensions. Millions receive pension benefits and unfortunately millions of others do not.

In the United States, there is no mandatory requirement that an employer provide a pension plan. But, the federal and state governments offer very significant tax benefits to both companies and individuals to entice them to save in a dedicated way for retirement.

Ensuring a secure retirement for all Americans is more than just a goal. It's a fiscal necessity. We know from experience that a strong pension system drastically eases the demands on our social safety net. So, year after year, our government invests a large chunk of taxpayer money, revenues not collected, to promote pensions.

But while the Federal government has invested huge sums by forgiving and deferring taxes to entice investments in pensions, there has been limited review of how well the system is treating average workers and retirees. But, unfortunately, there are not comparably large and sophisticated groups who speak for average workers.

Another problem is the very structure of the federal pension bureaucracy. Nobody has the assigned job of generally looking out for the pension participant. Yes, the Pension Benefits Guaranty Corporation does provide benefits to participants when their plans go bankrupt. The Treasury and the IRS have the responsibility to make sure that the pension laws in the Tax Code are fairly followed. But that is not their focus. The Department of Labor has considerable pension responsibility. But, their first focus is on the proper management of pension plans' funds. And, the needs of the participants are sometimes in conflict with the financial health of pension plans. In recent years, the Congress has funded programs where pension participants, employees or retirees, can ask some basic questions. But, there is a lack of any systematic effort to uncover unfortunate or abusive practices. Let's look at two pension problems I have recently tried to resolve.

Mr. President, as I wrote to the Department of Labor and Treasury this past January, lump sum payments continue to deplete Americans' pension payments by up to 50% with very little disclosure. Employers give new retirees a sheet of paper with two numbers on it—a small, monthly amount and a large, lump sum payment. Imagine getting that piece of paper. Which one would you take? Despite our disclosure law, many employers will not tell you that the larger number actually equals half the value of the smaller number over time.

This has been going on for years, and who has spoken up for the participants? The Departments of Labor and Treasury took four months to respond to my letter. If that is the kind of response a Senate office gets, where can pension participants turn when their livelihood depends upon getting answers? Let me tell you the story of Paul Schroeder, a 44-year old engineer who has worked for Ispat Inland, Inc., an East Chicago steel company, for 19 years. When the company converted to a cash balance plan, Paul calculated that his benefits would level off for as long as 13 years. The company would be putting no money into his pension for over a decade.

Meanwhile, new workers at the company would get added pension benefits with each pay check. This is called the "wear away" system. It is the period in which the cash balance benefit catches up to the value of the old plan benefit. Apparently, this practice is legal because of one sentence that was quietly inserted into an unrelated Treasury regulation just before it was approved in 1991. The EEOC is just now undergoing a detailed study to see if these plans violate age discrimination laws. After almost a decade of older employees having their pension assets frozen indefinitely, I ask you: who advocated on their behalf?

I only learned about this issue from a group of IBM employees who spent months clamoring to get our attention here in Congress. Those employees told their story to anyone who would listen. But when pension proposals don't affect the well-connected, who speaks for the participants?

I have introduced legislation that has received 47 votes in the Senate to provide for payments and I will try to pass it again. But, we should not need to pass a new law. The existing laws against age discrimination should have clicked in. For years, nobody was looking.

The bottom line is that no government agency is really looking out for the interests of pensioners. There are a few private organizations that are desperately trying to protect pension rights. But they're underfunded, scattered around the country, and easily overpowered by the better funded, better organized groups.

That is why I am proposing legislation to create an office whose specific function is to advocate for the rights of pensioner participants, both when they are employees and when they are retired. Our nation's seniors depend on their pensions to keep them afloat in retirement, and Social Security was never meant to do it alone. As the elderly population grows, it is in our nation's economic interest to ensure that pension legislation focuses on the best interests of participants.

Mr. President, The Office of Pension Participant Advocacy created in this bill would:

Actively seek out information and suggestions on pension policies and on

Federal agencies which affect pension participants.

Evaluate the efforts of Federal agencies, businesses and industry to assist pension participants.

Identify significant problems faced by employees and retirees.

Make annual recommendations documenting significant pension problems and recommending legislative and regulatory solutions.

And examine existing pension plans and determine the extent to which current law serves pensioners in those plans.

Mr. President, we have a strong economy. But we also have an obligation to save a place at the table for those who made it strong. Our nation's pensioners deserve a say in the policies that determine their livelihood. They deserve the right to have their interests represented.

In the last 25 years, the Employee Retirement Income Security Act, commonly known as ERISA has been extremely successful, but it has created a complex web of pension law that gives authority to multiple agencies with no central place people can turn to for help. Time and time again, the needs of pension participants are ignored, and the pensioners who don't have the time or the resources to navigate the web of pension authority are weeded out.

We need one central place where pension participants can turn to when problems arise. We need one place in government whose sole obligation is to look out for the general pension interests of employees and retirees concerning their pensions. We need an office that will be an advocate for pension participants. For that reason, I urge my colleagues to join me in supporting this critical legislation.

Mr. President, I ask unanimous consent that a copy of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2849

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### **SECTION 1. OFFICE OF PENSION PARTICIPANT ADVOCACY.**

(a) IN GENERAL.—Title III of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 3001 et seq.) is amended by adding at the end the following:

##### **"Subtitle D—Office of Pension Participant Advocacy**

##### **"SEC. 3051. OFFICE OF PENSION PARTICIPANT ADVOCACY.**

“(a) ESTABLISHMENT.—

“(1) IN GENERAL.—There is established in the Department of Labor an office to be known as the ‘Office of Pension Participant Advocacy’.

“(2) PENSION PARTICIPANT ADVOCATE.—The Office of Pension Participant Advocacy shall be under the supervision and direction of an official to be known as the ‘Pension Participant Advocate’ who shall—

“(A) have demonstrated experience in the area of pension participant assistance, and

“(B) be selected by the Secretary after consultation with pension participant advocacy organizations.

The Pension Participant Advocate shall report directly to the Secretary and shall be entitled to compensation at the same rate as the highest rate of basic pay established for the Senior Executive Service under section 5382 of title 5, United States Code.

“(b) FUNCTIONS OF OFFICE.—It shall be the function of the Office of Pension Participant Advocacy to—

“(1) evaluate the efforts of the Federal Government, business, and financial, professional, retiree, labor, women’s, and other appropriate organizations in assisting and protecting pension plan participants, including—

“(A) serving as a focal point for, and actively seeking out, the receipt of information with respect to the policies and activities of the Federal Government, business, and such organizations which affect such participants,

“(B) identifying significant problems for pension plan participants and the capabilities of the Federal Government, business, and such organizations to address such problems, and

“(C) developing proposals for changes in such policies and activities to correct such problems, and communicating such changes to the appropriate officials,

“(2) promote the expansion of pension plan coverage and the receipt of promised benefits by increasing the awareness of the general public of the value of pension plans and by protecting the rights of pension plan participants, including—

“(A) enlisting the cooperation of the public and private sectors in disseminating information, and

“(B) forming private-public partnerships and other efforts to assist pension plan participants in receiving their benefits,

“(3) advocate for the full attainment of the rights of pension plan participants, including by making pension plan sponsors and fiduciaries aware of their responsibilities,

“(4) give priority to the special needs of low and moderate income participants, and

“(5) develop needed information with respect to pension plans, including information on the types of existing pension plans, levels of employer and employee contributions, vesting status, accumulated benefits, benefits received, and forms of benefits.

“(c) REPORTS.—

“(1) ANNUAL REPORT.—Not later than December 31 of each calendar year, the Pension Participant Advocate shall report to the Committees on Education and the Workforce and Ways and Means of the House of Representatives and the Committees on Health, Education, Labor, and Pensions and Finance of the Senate on its activities during the fiscal year ending in the calendar year. Such report shall—

“(A) identify significant problems the Advocate has identified,

“(B) include specific legislative and regulatory changes to address the problems, and

“(C) identify any actions taken to correct problems identified in any previous report.

The Advocate shall submit a copy of such report to the Secretary and any other appropriate official at the same time it is submitted to the committees of Congress.

“(2) SPECIFIC REPORTS.—The Pension Participant Advocate shall report to the Secretary or any other appropriate official any time the Advocate identifies a problem which may be corrected by the Secretary or such official.

“(3) REPORTS TO BE SUBMITTED DIRECTLY.—The report required under paragraph (1) shall be provided directly to the committees of Congress without any prior review or comment than the Secretary or any other Federal officer or employee.

“(d) SPECIFIC POWERS.—

“(1) RECEIPT OF INFORMATION.—Subject to such confidentiality requirements as may be appropriate, the Secretary and other Federal officials shall, upon request, provide such information (including plan documents) as may be necessary to enable the Pension Participant Advocate to carry out the Advocate’s responsibilities under this section.

“(2) APPEARANCES.—The Pension Participant Advocate may represent the views and interests of pension plan participants before any Federal agency, including, upon request of a participant, in any proceeding involving the participant.

“(3) CONTRACTING AUTHORITY.—In carrying out responsibilities under subsection (b)(5), the Pension Participant Advocate may, in addition to any other authority provided by law—

“(A) contract with any person to acquire statistical information with respect to pension plan participants, and

“(B) conduct direct surveys of pension plan participants.”

(b) CONFORMING AMENDMENT.—The table of contents for title III of such Act is amended by adding at the end the following:

“Subtitle C—Office of Pension Participant Advocacy

“3051. Office of Pension Participant Advocacy.”

(c) EFFECTIVE DATE.—The amendment made by this section shall take effect on January 1, 2001.

By Mr. MOYNIHAN:

S.J. Res. 49. A joint resolution recognizing Commodore John Barry as the first flag officer of the United States Navy; to the Committee on Armed Services.

JOHN BARRY, FIRST FLAG OFFICER OF THE UNITED STATES NAVY

Mr. MOYNIHAN. Mr. President, today I rise to introduce a joint resolution, recognizing Commodore John Barry as the first flag officer of the United States Navy. Commodore Barry had been described as the “Father of the American Navy” by his contemporaries for his unflinching service to the United States Navy. The Commodore, born in Tacumshin Parish in County Wexford, Ireland and son to a poor Irish farmer, began his maritime career at an early age. He rose through the ranks and, at the outset of the American Revolution, was made responsible for outfitting the first Continental Navy ships. On March 14, 1776, the Marine Committee awarded Barry with a Captain’s commission to the Continental Navy and his first warship, the brig *Lexington*. In his first conflict at sea with this ship, the Commodore brought the fledgling Navy its first victory at sea and captured the *Edward*, a British tender. Barry reported to the Congress, “This victory had a tremendous psychological effect in boosting American morale, as it was the first capture of a British warship by a regularly commissioned American cruiser.”

While awaiting the completion of his second warship, the *Effingham*, Barry enlisted as a soldier in the Continental Army and served under General John Cadwalader, fighting in the Battles of Trenton and of Princeton. But it was not until his return to the Navy that the Commodore fought his most famed

battle. Aboard the 36-gun frigate *Alliance*, Barry put up a brilliant defense against two British sloops, the *Atlanta* and the *Tresspassy*. In his crusade, he was badly wounded in his shoulder and lost a large volume of blood. His second-in-command reported that the ship was in a desperate condition and recommended that the ship surrender. But the Commodore refused. He said, “If this ship cannot be fought without me, I will be brought on deck!” Broken and bandaged, Commodore Barry continued forward with the battle. After almost four hours, the *Atlanta* and the *Tresspassy* surrendered.

The Commodore’s final battle in the American Revolution was also the final sea battle of the Continental Navy. Aboard the *Alliance*, Barry escorted the *Duc De Saizon*, a ship carrying Spanish silver, and ward off the Royal Navy’s *Sybil*, protecting the vital cargo destined for the Continental Congress. Even after his retirement from battle, Barry’s contributions to the Navy continued. In 1797, President Washington invited Barry to receive Commission Number One in the Navy. His new position placed him in charge of the new Navy and oversight of the construction and outfitting of its first frigates. The U.S.S. *United States* and the U.S.S. *Constitution* were both built under his command.

Commodore John Barry served as Commodore under Presidents Washington, Adams and Jefferson until he died in 1803.

Before he died, the Commodore wrote a Signal Book for the Navy, which provided a practical means of communication between ships. He also suggested creating the Department of the Navy, a separate Cabinet position from the Secretary of War. This vision was realized in 1798 with the creation of the United States Department of the Navy. Most importantly, Barry was responsible for training many Naval heroes of the War of 1812.

It is with great honor and pride that I introduce this joint resolution, recognizing Commodore John Barry, a fellow Irishman and Naval Officer, as the first flag officer of the United States Navy.

Mr. President, I ask unanimous consent that the text of the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 49

Whereas John Barry, American merchant marine captain and native of County Wexford, Ireland, volunteered his services to the Continental Navy and was assigned by the Continental Congress as Captain of the *Lexington*, taking command of that vessel on March 14, 1776, and soon afterward gave to American liberty its first victory at sea with the capture of the Royal Navy sloop *Edward*;

Whereas Captain John Barry was principally responsible for organizing the crossing of the Delaware River which led directly to General George Washington’s victory at Trenton during Christmas 1776, a victory in which Captain Barry also served actively as a combatant;

Whereas Captain John Barry rejected British General Lord Howe's flattering offer to desert Washington and the patriot cause, stating: "Not the value and command of the whole British fleet can lure me from the cause of my country,";

Whereas Captain John Barry, while in command of the frigate *Alliance*, successfully transported French gold to America to finance the War for America Independence, and also won the last sea battle of that war by defeating the HMS *Sybil* on March 10, 1783;

Whereas when the First Congress, acting under the new Constitution, authorized the raising and construction of the United States Navy, it was to Captain John Barry that President George Washington turned to build and lead the new nation's infant Navy;

Whereas on February 22, 1797, President Washington personally conferred upon Captain John Barry, by and with the advice and consent of the Senate, the rank of Captain, with "Commission No. 1", United States Navy, dated June 4, 1794;

Whereas it was as Commodore of the Navy that John Barry built and first commanded the United States Navy and the squadron which included his flagship the USS *United States* and USS *Constitution* ("Old Ironsides");

Whereas John Barry served at the head of the United States Navy (the equivalent of the current position of Chief of Naval Operations), with the title of "Commodore" (in official correspondence) under Presidents Washington, Adams, and Jefferson;

Whereas Commodore John Barry is recognized, with General Stephen Moylan, in the Statue of Liberty museum as one of the six foreign-born great leaders of the War for Independence;

Whereas pursuant to resolutions of Congress, "Commodore John Barry Day" was proclaimed for September 13, 1982, by President Reagan and for September 13, 1991, and September 13, 1992, by President Bush; and

Whereas in recognition of the historic role and achievements of Commodore John Barry, and of the sentiments of Navy and Merchant Marine veterans, of Irish-Americans, and of the patriotic population generally that United States history be properly told and heroes of the United States be properly honored: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled*, That Commodore John Barry is recognized (effective as of February 22, 1797), and is hereby honored as the first flag officer of the United States Navy.

#### ADDITIONAL COSPONSORS

S. 1262

At the request of Mr. REED, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 1262, a bill to amend the Elementary and Secondary Education Act of 1965 to provide up-to-date school library media resources and well-trained, professionally certified school library media specialists for elementary schools and secondary schools, and for other purposes.

S. 1941

At the request of Mr. DODD, the name of the Senator from West Virginia (Mr. ROCKEFELLER) was added as a cosponsor of S. 1941, a bill to amend the Federal Fire Prevention and Control Act of 1974 to authorize the Director of the Federal Emergency Management Agen-

cy to provide assistance to fire departments and fire prevention organizations for the purpose of protecting the public and firefighting personnel against fire and fire-related hazards.

S. 1987

At the request of Mr. DURBIN, the name of the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 1987, a bill to amend the Violence Against Women Act of 1994, the Family Violence Prevention and Services Act, the Older Americans Act of 1965, and the Public Health Service Act to ensure that older women are protected from institutional, community, and domestic violence and sexual assault and to improve outreach efforts and other services available to older women victimized by such violence, and for other purposes.

S. 2274

At the request of Mr. GRASSLEY, the names of the Senator from Tennessee (Mr. THOMPSON) and the Senator from Vermont (Mr. LEAHY) were added as cosponsors of S. 2274, a bill to amend title XIX of the Social Security Act to provide families and disabled children with the opportunity to purchase coverage under the medicaid program for such children.

S. 2344

At the request of Mr. BROWNBACK, the name of the Senator from Illinois (Mr. FITZGERALD) was added as a cosponsor of S. 2344, a bill to amend the Internal Revenue Code of 1986 to treat payments under the Conservation Reserve Program as rentals from real estate.

S. 2365

At the request of Ms. COLLINS, the name of the Senator from North Dakota (Mr. CONRAD) was added as a cosponsor of S. 2365, a bill to amend title XVIII of the Social Security Act to eliminate the 15 percent reduction in payment rates under the prospective payment system for home health services.

S. 2386

At the request of Mrs. FEINSTEIN, the name of the Senator from Arkansas (Mrs. LINCOLN) was added as a cosponsor of S. 2386, a bill to extend the Stamp Out Breast Cancer Act.

S. 2394

At the request of Mr. MOYNIHAN, the name of the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 2394, a bill to amend title XVIII of the Social Security Act to stabilize indirect graduate medical education payments.

S. 2399

At the request of Mr. DURBIN, the name of the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 2399, a bill to amend title XVIII of the Social Security Act to revise the coverage of immunosuppressive drugs under the medicare program.

S. 2406

At the request of Mr. ABRAHAM, the name of the Senator from North Caro-

lina (Mr. HELMS) was added as a cosponsor of S. 2406, a bill to amend the Immigration and Nationality Act to provide permanent authority for entry into the United States of certain religious workers.

S. 2423

At the request of Mr. DURBIN, the name of the Senator from Connecticut (Mr. LIEBERMAN) was added as a cosponsor of S. 2423, a bill to provide Federal Perkins Loan cancellation for public defenders.

S. 2528

At the request of Ms. COLLINS, the name of the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 2528, a bill to provide funds for the purchase of automatic external defibrillators and the training of individuals in advanced cardiac life support.

S. 2584

At the request of Mr. ROBB, the name of the Senator from West Virginia (Mr. BYRD) was added as a cosponsor of S. 2584, a bill to provide for the allocation of interest accruing to the Abandoned Mine Reclamation Fund, and for other purposes.

S. 2589

At the request of Mr. JOHNSON, the name of the Senator from Kansas (Mr. BROWNBACK) was added as a cosponsor of S. 2589, a bill to amend the Federal Deposit Insurance Act to require periodic cost of living adjustments to the maximum amount of deposit insurance available under that Act, and for other purposes.

S. 2641

At the request of Mr. CLELAND, the name of the Senator from North Dakota (Mr. CONRAD) was added as a cosponsor of S. 2641, a bill to authorize the President to present a gold medal on behalf of Congress to former President Jimmy Carter and his wife Rosalynn Carter in recognition of their service to the Nation.

S. 2700

At the request of Mr. L. CHAFEE, the names of the Senator from Pennsylvania (Mr. SANTORUM) and the Senator from Illinois (Mr. DURBIN) were added as cosponsors of S. 2700, a bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to promote the cleanup and reuse of brownfields, to provide financial assistance for brownfields revitalization, to enhance State response programs, and for other purposes.

S. 2707

At the request of Mr. CRAPO, the name of the Senator from Utah (Mr. BENNETT) was added as a cosponsor of S. 2707, a bill to help ensure general aviation aircraft access to Federal land and the airspace over that land.

S. 2718

At the request of Mr. SMITH of New Hampshire, the name of the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S. 2718, a bill to amend the Internal Revenue Code of

1986 to provide incentives to introduce new technologies to reduce energy consumption in buildings.

S. 2733

At the request of Mr. SANTORUM, the name of the Senator from Louisiana (Mr. BREAUX) was added as a cosponsor of S. 2733, a bill to provide for the preservation of assisted housing for low income elderly persons, disabled persons, and other families.

S. 2739

At the request of Mr. LAUTENBERG, the names of the Senator from Missouri (Mr. ASHCROFT), the Senator from Colorado (Mr. ALLARD), the Senator from South Dakota (Mr. DASCHLE), and the Senator from Connecticut (Mr. LIEBERMAN) were added as cosponsors of S. 2739, a bill to amend title 39, United States Code, to provide for the issuance of a semipostal stamp in order to afford the public a convenient way to contribute to funding for the establishment of the World War II Memorial.

S. 2787

At the request of Mr. BIDEN, the name of the Senator from West Virginia (Mr. ROCKEFELLER) was added as a cosponsor of S. 2787, a bill to reauthorize the Federal programs to prevent violence against women, and for other purposes.

S. 2793

At the request of Mr. HOLLINGS, the name of the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S. 2793, a bill to amend the Communications Act of 1934 to strengthen the limitation on holding and transfer of broadcast licenses to foreign persons, and to apply a similar limitation to holding and transfer of other telecommunications media by or to foreign governments.

S. 2800

At the request of Mr. LAUTENBERG, the names of the Senator from Florida (Mr. GRAHAM) and the Senator from Utah (Mr. BENNETT) were added as cosponsors of S. 2800, a bill to require the Administrator of the Environmental Protection Agency to establish an integrated environmental reporting system.

S. CON. RES. 102

At the request of Mrs. FEINSTEIN, the names of the Senator from New York (Mr. MOYNIHAN) and the Senator from Massachusetts (Mr. KERRY) were added as cosponsors of S. Con. Res. 102, a concurrent resolution to commend the bravery and honor of the citizens of Remy, France, for their actions with respect to Lieutenant Houston Braly and to recognize the efforts of the 364th Fighter Group to raise funds to restore the stained glass windows of a church in Remy.

S. CON. RES. 105

At the request of Mr. ABRAHAM, the name of the Senator from New Hampshire (Mr. SMITH) was added as a cosponsor of S. Con. Res. 105, a concurrent resolution designating April 13,

2000, as a day of remembrance of the victims of the Katyn Forest massacre.

S. CON. RES. 123

At the request of Mr. LAUTENBERG, the name of the Senator from New Hampshire (Mr. SMITH) was added as a cosponsor of S. Con. Res. 123, a concurrent resolution expressing the sense of the Congress regarding manipulation of the mass and intimidation of the independent press in the Russian Federation, expressing support for freedom of speech and the independent media in the Russian Federation, and calling on the President of the United States to express his strong concern for freedom of speech and the independent media in the Russian Federation.

S. RES. 294

At the request of Mr. ABRAHAM, the name of the Senator from Nebraska (Mr. HAGEL) was added as a cosponsor of S. Res. 294, a resolution designating the month of October 2000 as "Children's Internet Safety Month."

AMENDMENT NO. 3185

At the request of Mr. KENNEDY, his name was added as a cosponsor of amendment No. 3185 proposed to S. 2549, an original bill to authorize appropriations for fiscal year 2001 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

At the request of Mr. BAUCUS, his name was added as a cosponsor of amendment No. 3185 proposed to S. 2549, *supra*.

At the request of Mr. BINGAMAN, his name was added as a cosponsor of amendment No. 3185 proposed to S. 2549, *supra*.

At the request of Mr. KERRY, his name was added as a cosponsor of amendment No. 3185 proposed to S. 2549, *supra*.

At the request of Mr. DASCHLE, his name was added as a cosponsor of amendment No. 3185 proposed to S. 2549, *supra*.

At the request of Mr. REID, his name was added as a cosponsor of amendment No. 3185 proposed to S. 2549, *supra*.

At the request of Mr. ROBB, his name was added as a cosponsor of amendment No. 3185 proposed to S. 2549, *supra*.

At the request of Mrs. BOXER, her name was added as a cosponsor of amendment No. 3185 proposed to S. 2549, *supra*.

At the request of Mrs. MURRAY, her name was added as a cosponsor of amendment No. 3185 proposed to S. 2549, *supra*.

At the request of Mr. THOMPSON, his name was added as a cosponsor of amendment No. 3185 proposed to S. 2549, *supra*.

At the request of Mr. CLELAND, his name was added as a cosponsor of amendment No. 3185 proposed to S. 2549, *supra*.

AMENDMENT NO. 3759

At the request of Mr. FEINGOLD, the name of the Senator from Oregon (Mr. WYDEN) was added as a cosponsor of amendment No. 3759 intended to be proposed to S. 2549, an original bill to authorize appropriations for fiscal year 2001 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

AMENDMENT NO. 3760

At the request of Mr. WARNER, his name was added as a cosponsor of amendment No. 3760 proposed to S. 2549, an original bill to authorize appropriations for fiscal year 2001 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

At the request of Mr. CONRAD, his name was added as a cosponsor of amendment No. 3760 proposed to S. 2549, *supra*.

SENATE RESOLUTION 333—EXPRESSING THE SENSE OF THE SENATE THAT THERE SHOULD BE PARITY AMONG THE COUNTRIES THAT ARE PARTIES TO THE NORTH AMERICAN FREE TRADE AGREEMENT WITH RESPECT TO THE PERSONAL EXEMPTION ALLOWANCE FOR MERCHANDISE PURCHASED ABROAD BY RETURNING RESIDENTS, AND FOR OTHER PURPOSES

Ms. COLLINS (for herself, Mr. MOYNIHAN, Mr. KYL, Mr. GREGG, Mr. LEAHY, and Mrs. HUTCHISON), on June 30, 2000, submitted the following resolution; which was referred to the Committee on Finance:

S. RES. 333

Whereas the personal exemption allowance is a vital component of trade and tourism;

Whereas many border communities and retailers depend on customers from both sides of the border;

Whereas a United States citizen traveling to Canada or Mexico for less than 24 hours is exempt from paying duties on the equivalent of \$200 worth of merchandise on return to the United States, and for trips over 48 hours United States citizens have an exemption of up to \$400 worth of merchandise;

Whereas a Canadian traveling in the United States is allowed a duty-free personal exemption allowance of only \$50 worth of merchandise for a 24-hour visit, the equivalent of \$200 worth of merchandise for a 48-hour visit, and the equivalent of \$750 worth of merchandise for a visit of over 7 days;

Whereas Mexico has a 2-tiered personal exemption allowance for its returning residents, set at the equivalent of \$50 worth of merchandise for residents returning by car and the equivalent of \$300 worth of merchandise for residents returning by plane;

Whereas Canadian and Mexican retail businesses have an unfair competitive advantage over many American businesses because of

the disparity between the personal exemption allowances among the 3 countries;

Whereas the State of Maine legislature passed a resolution urging action on this matter;

Whereas the disparity in personal exemption allowances creates a trade barrier by making it difficult for Canadians and Mexicans to shop in American-owned stores without facing high additional costs;

Whereas the United States entered into the North American Free Trade Agreement with Canada and Mexico with the intent of phasing out tariff barriers among the 3 countries; and

Whereas it violates the spirit of the North American Free Trade Agreement for Canada and Mexico to maintain restrictive personal exemption allowance policies that are not reciprocal: Now, therefore, be it

*Resolved*, That it is the sense of the Senate that—

(1) the United States Trade Representative and the Secretary of the Treasury, in consultation with the Secretary of Commerce, should initiate discussions with officials of the Governments of Canada and Mexico to achieve parity by harmonizing the personal exemption allowance structure of the 3 NAFTA countries at or above United States exemption levels; and

(2) in the event that parity with respect to the personal exemption allowance of the 3 countries is not reached within 1 year after the date of the adoption of this resolution, the United States Trade Representative and the Secretary of the Treasury should submit recommendations to Congress on whether legislative changes are necessary to lower the United States personal exemption allowance to conform to the allowance levels established in the other countries that are parties to the North American Free Trade Agreement.

#### AMENDMENTS SUBMITTED

#### DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 2001

##### DASCHLE AMENDMENT NO. 3778

(Ordered to lie on the table.)

Mr. DASCHLE (for himself and Mr. JOHNSON) submitted an amendment intended to be proposed by them to the bill (H.R. 4578) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 2001, and for other purposes; as follows:

On page 138, line 1, insert “; and of which not to exceed \$108,000 shall be for payment to the United Sioux Tribes of South Dakota Development Corporation for the purpose of providing employment assistance to Indian clients of the Corporation, including employment counseling, follow-up services, housing services, community services, day care services, and subsistence to help Indian clients become fully employed members of society” before the colon.

##### EDWARDS AMENDMENTS NOS. 3779-3880

(Ordered to lie on the table.)

Mr. EDWARDS submitted two amendments intended to be proposed by him to the bill, H.R. 4578, *supra*; as follows:

##### AMENDMENT NO. 3779

On page 164, line 19, strike “\$1,233,824,000” and insert “\$1,229,824,000”.

On page 168, line 11, strike “\$76,320,000” and insert “\$80,320,000”.

##### AMENDMENT NO. 3780

On page 130, line 4 strike “\$847,596,000” and insert “\$849,396,000”.

On page 130, line 17, before the colon insert: “, and of which \$1,800,000 shall remain available until expended, to repair or replace stream monitoring equipment and associated facilities damaged by natural disasters: *Provided*, That the entire amount shall be available only to the extent that the President submits to Congress an official budget request for a specific dollar amount that includes designation of the entire amount of the request as an emergency requirement for the purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900 et seq.): *Provided further*, That the entire amount is designated by Congress as an emergency requirement under section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(b)(2)(A)).”

##### GRAMS AMENDMENT NO. 3781

(Ordered to lie on the table.)

Mr. GRAMS submitted an amendment intended to be proposed by him to the bill, H.R. 4578, *supra*; as follows:

On page 126, line 16, strike “\$207,079,000,” and insert “\$202,950,000, of which not more than \$511,000 shall be used for the construction of a heritage center for the Grand Portage National Monument in Minnesota.”

On page 165, line 25, strike “\$618,500,000,” and inserting “\$622,629,000, of which at least \$6,947,000 shall be used for hazardous fuels reduction activities in the Superior and Chippewa National Forests in Minnesota and the Chequamegon National Forest in Wisconsin.”

##### DOMENICI (AND OTHERS)

##### AMENDMENT NO. 3782

(Ordered to lie on the table.)

Mr. DOMENICI (for himself, Mr. KYL, and Mrs. FEINSTEIN) submitted an amendment intended to be proposed by them to the bill, H.R. 4578, *supra*; as follows:

At an appropriate place in the bill, insert the following new title:

##### TITLE —HAZARDOUS FUELS REDUCTION

##### DEPARTMENT OF THE INTERIOR

##### BUREAU OF LAND MANAGEMENT

##### WILDLAND FIRE MANAGEMENT

For an additional amount for “Wildland Fire Management” to remove hazardous material to alleviate immediate emergency threats to urban wildland interface areas as defined by the Secretary of the Interior, \$120.3 million to remain available until expended: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That the entire amount shall be available only to the extent an official budget request, that includes designation of the entire amount of the request as an emergency requirement as defined by such Act, is transmitted by the President to the Congress.

##### DEPARTMENT OF AGRICULTURE

##### FOREST SERVICE

##### WILDLAND FIRE MANAGEMENT

For an additional amount for “Wildland Fire Management” to remove hazardous material to alleviate immediate emergency threats to urban wildland interface areas as defined by the Secretary of Agriculture, \$120 million to remain available until expended: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That the entire amount shall be available only to the extent an official budget request, that includes designation of the entire amount of the request as an emergency requirement as defined by such Act, is transmitted by the President to the Congress: *Provided further*, That:

(a) In expending the funds provided in any Act with respect to any fiscal year for hazardous fuels reduction, the Secretary of the Interior and the Secretary of Agriculture may hereafter conduct fuel reduction treatments on Federal lands using all contracting and hiring authorities available to the Secretaries. Notwithstanding Federal government procurement and contracting laws, the Secretaries may hereafter conduct fuel reduction treatments on Federal lands using grants and cooperative agreements. Notwithstanding Federal government procurement and contracting laws, in order to provide employment and training opportunities to people in rural communities, the Secretaries may hereafter, at their sole discretion, limit competition for any contracts, with respect to any fiscal year, including contracts for monitoring activities, to:

(1) local private, non-profit, or cooperative entities;

(2) Youth Conservation Corps crews or related partnerships with state, local, and non-profit youth groups;

(3) Small or micro-businesses; or

(4) other entities that will hire or train a significant percentage of local people to complete such contracts.

(b) Prior to September 30, 2000, the Secretary of Agriculture and the Secretary of the Interior shall jointly publish in the Federal Register a list of all urban wildland interface communities, as defined by the Secretaries, within the vicinity of Federal lands that are at risk from wildfire. This list shall include:

(1) an identification of communities around which hazardous fuel reduction treatments are ongoing; and

(2) an identification of communities around which the Secretaries are preparing to begin treatments in calendar year 2000.

(c) Prior to May 1, 2001, the Secretary of Agriculture and the Secretary of the Interior shall jointly publish in the Federal Register a list of all urban wildland interface communities, as defined by the Secretaries, within the vicinity of Federal lands and at risk from wildfire that are included in the list published pursuant to subsection (b) but that are not included in paragraphs (b)(1) and (b)(2), along with an identification of reasons, not limited to lack of available funds, why there are no treatments ongoing or being prepared for these communities.

(d) Within 30 days after enactment of this Act, the Secretary of Agriculture shall publish in the Federal Register the Forest Service's Cohesive Strategy for Protecting People and Sustaining Resources in Fire-Adapted Ecosystems, and an explanation of any differences between the Cohesive Strategy and other related ongoing policymaking activities including: proposed regulations revising the National Forest System transportation policy; proposed roadless area protection regulations; the Interior Columbia



Basin Draft Supplemental Environmental Impact Statement; and the Sierra Nevada Framework/Sierra Nevada Forest Plan Draft Environmental Impact Statement. The Secretary shall also provide 30 days for public comment on the Cohesive Strategy and the accompanying explanation.

#### DOMENICI AMENDMENTS NOS. 3783-3785

(Ordered to lie on the table.)

Mr. DOMENICI submitted three amendments intended to be proposed by him to the bill, H.R. 4578, supra; as follows:

##### AMENDMENT No. 3783

On page 163, after line 23, add the following:

#### SECTION 1. EXPENDITURE OF FUNDS FOR INTERIOR POLICIES REGARDING MIDDLE RIO GRANDE CONSERVANCY DISTRICT.

Effective for fiscal year 2000, and each subsequent fiscal year, notwithstanding any other provision of law, no funds made available by this Act or any other Act shall be used to require the Middle Rio Grande Conservancy District constructed irrigation works to provide bypass flows for the Rio Grande Silvery Minnow or the Southwestern Willow Flycatcher at San Acacia Diversion Dam to maintain flows to the headwaters of Elephant Butte Reservoir except as may be provided in an agreement entered into by all holders of water rights with points of diversion above the headwaters of Elephant Butte Reservoir and which agreement has been approved by the New Mexico State Engineer, or as may be required by a final non-appealable court order.

#### SEC. 2. EXPENDITURE OF FUNDS FOR INTERIOR POLICIES REGARDING THE FORT SUMNER IRRIGATION DISTRICT.

Effective for fiscal year 2000, and each subsequent fiscal year, notwithstanding any other provision of law, no funds made available by this Act or any other Act shall be used to require the Fort Sumner Irrigation District irrigation works to maintain flows for endangered species except as may be provided in an agreement entered into by all affected holders of water rights and which agreement has been approved by the New Mexico State Engineer, or as may be required by a final non-appealable court order.

##### AMENDMENT No. 3784

On page 165, after line 18, add the following:

For an additional amount to cover necessary expenses for implementation of the Valles Caldera Preservation Act, \$990,000, to remain available until expended, which shall be available to the Secretary for the management of the Valles Caldera National Preserve: *Provided*, That any remaining balances be provided to the Valles Caldera Trust upon its assumption of the management of the Preserve: *Provided further*, That the amount available to the Office of the Solicitor within the Department of the Interior shall not exceed \$39,206,000.

##### AMENDMENT No. 3785

On page 126, after line 22, add the following new paragraph:

For an additional amount for construction, improvements, repair or replacement of physical facilities, including final design, management, inspection, furnishing, and equipping of an expansion annex of the historic Palace of the Governors in Santa Fe, New Mexico, notwithstanding any other provision of law, \$15,000,000, to remain available until expended, which is to be provided by

the Secretary of the Interior to the New Mexico State Office of Cultural Affairs: *Provided*, That the entire amount provided in this paragraph shall be available only to the extent an official budget request for designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress; *Provided further*, That the entire amount provided in this paragraph is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of such Act.

#### STEVENS AMENDMENTS NOS. 3786-3789

(Ordered to lie on the table.)

Mr. STEVENS submitted four amendments intended to be proposed by him to the bill, H.R. 4578, supra; as follows:

##### AMENDMENT No. 3786

On page 170, line 3 insert before the period the following: “, *Provided*, That \$750,000 shall be transferred to the State of Alaska Department of Fish and Game as a direct payment for administrative and policy coordination”.

##### AMENDMENT No. 3787

At the appropriate place, insert the following new section

“SEC. . (a) All proceeds of Oil and Gas Lease sale 991, held by the Bureau of Land Management on May 5, 1999, or subsequent lease sales in the National Petroleum Reserve—Alaska within the area subject to withdrawal for Kuukpiik Corporation’s selection under section 22(j)(2) of the Alaska Native Claims Settlement Act, Public Law 92-203 (85 Stat. 688), shall be held in an escrow account administered under the terms of section 1411 of the Alaska National Interest Lands Conservation Act, Public Law 96-487 (94 Stat. 2371), without regard to whether a withdrawal for selection has been made, and paid to Arctic Slope Regional Corporation and the State of Alaska in the amount of their entitlement under law when determined, together with interest at the rate provided in the aforementioned section 1411, for the date of receipt of the proceeds by the United States to the date of payment. There is authorized to be appropriated such sums as are necessary to carry out the purposes of this section.

(b) The section shall be effective as of May 5, 1999.”

##### AMENDMENT No. 3788

On page 168, line 18 insert before the period the following: “; *Provided further*, That of the amounts appropriated and available, the Secretary of Agriculture shall transfer as a direct payment to the City of Craig at least \$5,000,000 but not to exceed \$10,000,000 in lieu of any claims or municipal entitlement to land within the outside boundaries of the Tongass National Forest pursuant to section 6(A) of Public Law 85-508, the Alaska Statehood Act, as amended; *Provided further*, That should the directive in the preceding proviso conflict with any provision of existing law the preceding proviso shall prevail and take precedence”.

##### AMENDMENT No. 3789

At the appropriate place insert the following new section:

“SEC. . Notwithstanding any other provision of law, the Secretary of the Interior shall convey to Harvey R. Redmond of Girdwood Alaska, at no cost, all right, title, and interest of the United States in and to United States Survey No. 12192, Alaska con-

sisting of 49.96 acres located in the vicinity of T. 9N., R., 3E., Seward Meridian, Alaska.”.

#### SESSIONS (AND OTHERS) AMENDMENT NO. 3790

(Ordered to lie on the table.)

Mr. SESSIONS (for himself, Mr. GRAHAM, Mr. ENZI, Mr. LUGAR, Mr. VOINOVICH, Mr. GRAMS, Mr. REID, and Mr. INHOFE) submitted an amendment intended to be proposed by them to the bill, H.R. 4578, supra; as follows:

On page 225, between lines 11 and 12, insert the following:

SEC. . None of the funds made available in this Act may be used to publish Class III gaming procedures under part 291 of title 25, Code of Federal Regulations

#### BINGAMAN AMENDMENT NO. 3791

(Ordered to lie on the table.)

Mr. BINGAMAN submitted an amendment intended to be proposed by him to the bill, H.R. 4578, supra; as follows:

At the appropriate place, insert the following new section:

#### SEC. . PROTECTING COMMUNITIES FROM RISK OF WILDLAND FIRE.

In recognition of the recent fires that have occurred in New Mexico and other parts of the Interior West and in order to focus hazardous fuels reduction activities on the highest priority areas where critical issues of human safety and property loss are the most serious, the Forest Service shall expend fifty percent of the hazardous fuels operations funds provided in this Act only on projects within the urban/wildland interface or within municipal watersheds that are determined to be at high risk of catastrophic fire.

#### SESSIONS AMENDMENTS NOS. 3792-3793

(Ordered to lie on the table.)

Mr. SESSIONS submitted two amendments intended to be proposed by him to the bill, H.R. 4578, supra; as follows:

##### AMENDMENT No. 3792

On page 125, line 11, strike “\$1,443,795,000,” and insert “\$1,445,795,000, of which not less than \$2,000,000 shall be available to carry out exhibitions at and acquire interior furnishings for the Rosa Parks Library and Museum, Alabama, and”.

On page 201, line 11, strike “\$104,604,000” and insert “\$102,640,000”.

##### AMENDMENT No. 3793

On page 122, line 9, before the period, insert the following: “, of which \$3,000,000 shall be used for acquisition of land around the Bon Secour National Wildlife Refuge, Alabama, and of which not more than \$4,500,000 shall be used for acquisition management”.

#### NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2001

#### BYRD AMENDMENT NO. 3794

Mr. BYRD (for himself, Mr. WARNER, Mr. LEVIN, Mr. HOLLINGS, Mr. HELMS, Mr. BREAUX, Mr. HATCH, Mr. CAMPBELL, Mrs. LINCOLN, and Mr. WELLSTONE) proposed an amendment to amendment No. 3767 previously proposed by Mr. WARNER (for Mr. BYRD) to the bill (S.



2549) to authorize appropriations for fiscal year 2001 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes; as follows:

Strike all after "Sec." and insert the following:

**1061. NATIONAL SECURITY IMPLICATIONS OF UNITED STATES-CHINA TRADE RELATIONSHIP.**

(a) IN GENERAL.—

(1) NAME OF COMMISSION.—Section 127(c)(1) of the Trade Deficit Review Commission Act (19 U.S.C. 2213 note) is amended by striking "Trade Deficit Review Commission" and inserting "United States-China Security Review Commission".

(2) QUALIFICATIONS OF MEMBERS.—Section 127(c)(3)(B)(i)(I) of such Act (19 U.S.C. 2213 note) is amended by inserting "national security matters and United States-China relations," after "expertise in".

(3) PERIOD OF APPOINTMENT.—Section 127(c)(3)(A) of such Act (19 U.S.C. 2213 note) is amended to read as follows:

"(A) IN GENERAL.—

"(i) APPOINTMENT BEGINNING WITH 107TH CONGRESS.—Beginning with the 107th Congress and each new Congress thereafter, members shall be appointed not later than 30 days after the date on which Congress convenes. Members may be reappointed for additional terms of service.

"(ii) TRANSITION.—Members serving on the Commission shall continue to serve until such time as new members are appointed."

(b) PURPOSE.—Section 127(k) of the Trade Deficit Review Commission Act (19 U.S.C. 2213 note) is amended to read as follows:

"(k) UNITED STATES-CHINA NATIONAL SECURITY IMPLICATIONS.—

"(1) IN GENERAL.—Upon submission of the report described in subsection (e), the Commission shall—

"(A) wind up the functions of the Trade Deficit Review Commission; and

"(B) monitor, investigate, and report to Congress on the national security implications of the bilateral trade and economic relationship between the United States and the People's Republic of China.

"(2) ANNUAL REPORT.—Not later than March 1, 2002, and annually thereafter, the Commission shall submit a report to Congress, in both unclassified and classified form, regarding the national security implications and impact of the bilateral trade and economic relationship between the United States and the People's Republic of China. The report shall include a full analysis, along with conclusions and recommendations for legislative and administrative actions, of the national security implications for the United States of the trade and current balances with the People's Republic of China in goods and services, financial transactions, and technology transfers. The Commission shall also take into account patterns of trade and transfers through third countries to the extent practicable.

"(3) CONTENTS OF REPORT.—The report described in paragraph (2) shall include, at a minimum, a full discussion of the following:

"(A) The portion of trade in goods and services with the United States that the People's Republic of China dedicates to military systems or systems of a dual nature that could be used for military purposes.

"(B) The acquisition by the Government of the People's Republic of China and entities controlled by the Government of advanced military technologies through United States trade and technology transfers.

"(C) Any transfers, other than those identified under subparagraph (B), to the military systems of the People's Republic of China made by United States firms and United States-based multinational corporations.

"(D) An analysis of the statements and writing of the People's Republic of China officials and officially-sanctioned writings that bear on the intentions of the Government of the People's Republic of China regarding the pursuit of military competition with, and leverage over, the United States and the Asian allies of the United States.

"(E) The military actions taken by the Government of the People's Republic of China during the preceding year that bear on the national security of the United States and the regional stability of the Asian allies of the United States.

"(F) The effects to the national security interests of the United States of the use by the People's Republic of China of financial transactions, capital flow, and currency manipulations.

"(G) Any action taken by the Government of the People's Republic of China in the context of the World Trade Organization that is adverse to the United States national security interests.

"(H) Patterns of trade and investment between the People's Republic of China and its major trading partners, other than the United States, that appear to be substantively different from trade and investment patterns with the United States and whether the differences constitute a security problem for the United States.

"(I) The extent to which the trade surplus of the People's Republic of China with the United States enhances the military budget of the People's Republic of China.

"(J) An overall assessment of the state of the security challenges presented by the People's Republic of China to the United States and whether the security challenges are increasing or decreasing from previous years.

"(4) RECOMMENDATIONS OF REPORT.—The report described in paragraph (2) shall include recommendations for action by Congress or the President, or both, including specific recommendations for the United States to invoke Article XXI (relating to security exceptions) of the General Agreement on Tariffs and Trade 1994 with respect to the People's Republic of China, as a result of any adverse impact on the national security interests of the United States."

(c) CONFORMING AMENDMENTS.—

(1) HEARINGS.—Section 127(f)(1) of such Act (19 U.S.C. 2213 note) is amended to read as follows:

"(1) HEARINGS.—

"(A) IN GENERAL.—The Commission or, at its direction, any panel or member of the Commission, may for the purpose of carrying out the provisions of this Act, hold hearings, sit and act at times and places, take testimony, receive evidence, and administer oaths to the extent that the Commission or any panel or member considers advisable.

"(B) INFORMATION.—The Commission may secure directly from the Department of Defense, the Central Intelligence Agency, and any other Federal department or agency information that the Commission considers necessary to enable the Commission to carry out its responsibilities under this Act, except the provision of intelligence information to the Commission shall be made with due regard for the protection from unauthorized disclosure of classified information relating to sensitive intelligence sources and methods or other exceptionally sensitive matters, under procedures approved by the Director of Central Intelligence.

"(C) SECURITY.—The Office of Senate Security shall—

"(i) provide classified storage and meeting and hearing spaces, when necessary, for the Commission; and

"(ii) assist members and staff of the Commission in obtaining security clearances.

"(D) SECURITY CLEARANCES.—All members of the Commission and appropriate staff shall be sworn and hold appropriate security clearances."

(2) CHAIRMAN.—

(A) Section 127(c)(6) of such Act (19 U.S.C. 2213 note) is amended by striking "Chairperson" and inserting "Chairman".

(B) Section 127(g) of such Act (19 U.S.C. 2213 note) is amended by striking "Chairperson" each place it appears and inserting "Chairman".

(3) CHAIRMAN AND VICE CHAIRMAN.—Section 127(c)(7) of such Act (19 U.S.C. 2213 note) is amended—

(A) by striking "CHAIRPERSON AND VICE CHAIRPERSON" in the heading and inserting "CHAIRMAN AND VICE CHAIRMAN";

(B) by striking "chairperson" and "vice chairperson" in the text and inserting "Chairman" and "Vice Chairman"; and

(C) by inserting "at the beginning of each new Congress" before the end period.

(d) APPROPRIATIONS.—Section 127(i) of such Act (19 U.S.C. 2213 note) is amended to read as follows:

"(i) AUTHORIZATION.—

"(1) IN GENERAL.—There are authorized to be appropriated to the Commission for fiscal year 2001, and each fiscal year thereafter, such sums as may be necessary to enable it to carry out its functions. Appropriations to the Commission are authorized to remain available until expended. Unobligated balances of appropriations made to the Trade Deficit Review Commission before the effective date of this subsection shall remain available to the Commission on and after such date.

"(2) FOREIGN TRAVEL FOR OFFICIAL PURPOSES.—Foreign travel for official purposes by members and staff of the Commission may be authorized by either the Chairman or the Vice Chairman."

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on the first day of the 107th Congress.

**DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 2001**

**CRAIG (AND OTHERS) AMENDMENT NO. 3795**

(Ordered to lie on the table.)

Mr. CRAIG (for himself, Mr. HUTCHINSON, Mr. CRAPO, Mr. THOMAS, Mr. ENZI, Mr. BENNETT, Mr. HATCH, Mr. NICKLES, and Mr. SMITH of Oregon) submitted an amendment intended to be proposed by him to the bill, H.R. 4578, *supra*; as follows:

At the appropriate place in the bill insert the following new section:

**SEC. . REVIEW COMMITTEE FOR FOREST SERVICE RULES.**

(a) (1) From the amount appropriated for "Forest Products," a sum of \$1,000,000 shall be made available until expended to the Secretary of Agriculture for the purpose of reviewing certain proposed rules concerning the planning and management of National Forest System lands referred to in paragraph (2).

(2) The proposed rules subject to this section are the proposed road management and transportation system rule, and proposed

special areas—roadless area conservation rule published at 64 Federal Register 54074 (October 5, 1999) and 65 Federal Register 11676 and 30276 (March 3 and May 10, 2000), respectively.

(b) With the funds allocated pursuant to subsection (a)(1):

(1) The Secretary shall appoint an advisory committee in accordance with the Federal Advisory Committee Act and subsection (d) of persons knowledgeable, and reflecting a diversity of viewpoints, concerning issues related to the planning and management of National Forest System lands. The appointments shall be made as soon as practicable after the date of enactment of this Act.

(2) The advisory committee shall—

(A) review and evaluate the proposed rules referred to in subsection (a)(2) and their prospective implementation, particularly as to their cumulative effects and the manner in which they relate to each other, are integrated, and will function together, including any inconsistencies or conflicts in their goals, purposes, application, or likely results and determined whether and in what way they may be improved; and

(B) submit a written report to the Secretary describing the results of the review and evaluation of the proposed rules required by, and any recommendations for improvement of such rules determined pursuant to, subparagraph (A), including any supplemental or minority views which any member or members of the advisory committee may wish to express.

(3) The Secretary shall make the report of the advisory committee required by paragraph (2)(B) available for public comment and submit the report to the Congress, together with a written response of the Secretary to the report and the public comment on the report.

(c) No funds appropriated by this Act or any other act of Congress may be expended for further development or promulgation of the proposed rules referred to in subsection (a)(2) prior to 60 days after the date of submission to the Congress of the report of the advisory committee and the response of the Secretary pursuant to subsection (b)(3).

(d) (1) The advisory committee appointed pursuant to subsection (b)(1) shall have no more than 15, nor less than 9, members who may not be officers or employees of the United States. The Chair of the advisory committee shall be selected from among and by its members.

(2) The members of the advisory committee, while attending conferences, hearing, or meetings of the advisory committee or while otherwise serving at the request of the Chair shall each be entitled to receive compensation at a rate not in excess of the maximum rate of pay for grade GS-18, as provided in the General Schedule under section 5332 of title 5, United States Code, including travel time, and while away from their homes or regular places of business shall each be reimbursed for travel expenses, including per diem in lieu of subsistence as authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently.

## NOTICES OF HEARINGS/MEETINGS

### COMMITTEE ON SMALL BUSINESS

Mr. BOND. Mr. President, I wish to announce that the Committee on Small Business will hold a hearing entitled "GAO's Performance and Accountability Review: Is the SBA on PAR?" The hearing will be held on Thursday, July 20, 2000, beginning at 9:30 a.m., in room 428A of the Russell Senate Office Building.

The hearing will be broadcast live over the Internet from our homepage address: <http://www.senate.gov/sbc>.

For further information, please contact David Bohley at 224-5175.

### COMMITTEE ON SMALL BUSINESS

Mr. BOND. Mr. President, I wish to announce that the Committee on Small Business will hold a meeting to mark up S. 1594, Community Development and Venture Capital Act of 1999, and other pending matters. The markup will be held on Wednesday, July 26, 2000, beginning at 9 a.m., in room 428A, Russell Senate Office Building.

For further information, please contact Paul Cooksey at 224-5175.

### SUBCOMMITTEE ON FORESTS AND PUBLIC LAND MANAGEMENT

Mr. CRAIG. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Forests and Public Land Management of the Committee on Energy and Natural Resources.

The hearing originally scheduled for Wednesday, July 12, 2000, at 2:30 p.m., has been postponed until Friday, July 21, 2000, at 9:30 a.m., in room SD-366 of the Dirksen Senate Office Building in Washington, D.C.

The purpose of this oversight hearing is to receive testimony on the Draft Environmental Impact Statement implementing the October 1999 announcement by President Clinton to review approximately 40 million acres of national forest lands for increased protection.

Those who wish to submit written statements should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C. 20510. For further information, please call Mark Rey at (202) 224-6170.

### SUBCOMMITTEE ON FORESTS AND PUBLIC LAND MANAGEMENT

Mr. CRAIG. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Forests and Public Land Management of the Committee on Energy and Natural Resources.

The hearing will take place on Thursday, July 20, 2000, at 2:00 p.m., in room SD-366 of the Dirksen Senate Office Building in Washington, D.C.

The purpose of this hearing is to receive testimony on S. 2754, a bill to provide for the exchange of certain land in the State of Utah; S. 2757, a bill to provide for the transfer or other disposition of certain lands at Melrose Air Force Range, New Mexico, and Yakima Training Center, Washington; and S. 2691, a bill to provide further protections for the watershed of the Little Sandy River as part of the Bull Run Watershed Management Unit, Oregon.

Those who wish to submit written statements should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C. 20510. For further information, please call Mike Menge at (202) 224-6170.

## AUTHORITY FOR COMMITTEES TO MEET

### COMMITTEE ON THE JUDICIARY

Mr. ROTH. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a hearing on Tuesday, July 11, 2000, at 10:00 a.m., in Hart 216.

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

### SUBCOMMITTEE ON HOUSING AND TRANSPORTATION

Mr. ROTH. Mr. President, I ask unanimous consent that the Subcommittee on Housing and Transportation of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Tuesday, July 11, 2000, to conduct a hearing to examine the "Federal Transit Administration's approval of extension of the Amtrak Commuter Rail Contract."

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

### SUBCOMMITTEE ON WATER AND POWER

Mr. ROTH. Mr. President, I ask unanimous consent that the Subcommittee on Water and Power of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Tuesday, July 11 at 2:30 p.m. to conduct a hearing. The subcommittee will receive testimony on S. 2195, a bill to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize the Secretary of the Interior to participate in the design, planning, and construction of the Truckee watershed reclamation project for the reclamation and reuse of water; S. 2350, a bill to direct the Secretary of the Interior to convey certain water rights to Duchesne City, Utah; and S. 2672, a bill to provide for the conveyance of various reclamation projects to local water authorities.

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

### SPECIAL COMMITTEE ON AGING

Mr. ROTH. Mr. President, I ask consent that the Special Committee on Aging be authorized to meet today, July 11, 2000 from 9:30 p.m.-12:00 p.m. in Dirksen 628 for the purpose of conducting a hearing.

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

## PRIVILEGES OF THE FLOOR

Mr. REID. Mr. President, I ask unanimous consent that John Sparrow, Jerry Pannullo, Lee Holtzman, and Matthew Voge of the Finance Committee staff be granted the privilege of the floor for the remainder of the week.

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

Mr. WELLSTONE. Mr. President, I ask unanimous consent that Erin Fullerton be granted the privilege of the floor during the debate today.

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

Mr. LEVIN. Mr. President, on behalf of Senator BIDEN, I ask unanimous consent the privilege of the floor be granted to a member of his staff, Ben

Lowenthal, a Pearson Fellow currently at the Committee on Foreign Relations, during the pendency of the DOD bills.

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

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NOTICE—2000 JULY QUARTERLY REPORTS

The mailing and filing date of the July Quarterly Report required by the Federal Election Campaign Act, as amended, is Saturday, July 15, 2000. All Principal Campaign Committees supporting Senate candidates in the 2000 races must file their reports with the Senate Office of Public Records, 232 Hart Building, Washington, DC 20510-7116. You may wish to advise your campaign committee personnel of this requirement.

The Public Records office will be open from 12 noon until 4 p.m. on July 15, to receive these filings. For further information, please do not hesitate to contact the Office of Public Records on (202) 224-0322.

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NOTICE—2000 MID YEAR REPORT

The mailing and filing date of the 2000 Mid Year Report required by the Federal Election Campaign Act, as amended, is Monday, July 31, 2000. All Principal Campaign Committees supporting Senate candidates in an election year other than 2000 must file their reports with the Senate Office of Public Records, 232 Hart Building, Washington, DC 20510-7116. You may wish to advise your campaign committee personnel of this requirement.

The Public Records office will be open from 8 a.m. until 6 p.m. on the fil-

ing date for the purpose of receiving these filings. For further information, please do not hesitate to contact the Office of Public Records on (202) 224-0322.

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NOTICE—REGISTRATION OF MASS MAILINGS

The filing date for 2000 second quarter mass mailings is July 25, 2000. If your office did no mass mailings during this period, please submit a form that states "none."

Mass mailing registrations, or negative reports, should be submitted to the Senate Office of Public Records, 232 Hart Building, Washington, DC 20510-7116.

The Public Records office will be open from 8 a.m. to 6 p.m. on the filing date to accept these filings. For further information, please contact the Public Records Office at (202) 224-0322.

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ORDERS FOR WEDNESDAY, JULY 12, 2000

Mr. WARNER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 9:30 a.m. on Wednesday, July 12. I further ask unanimous consent that on Wednesday, immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate then resume the 2 hours of closing remarks prior to the Senate proceeding to H.R. 8.

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

PROGRAM

Mr. WARNER. For the information of all Senators, at approximately 11:30 a.m. the Senate will immediately begin a vote in relation to the Bennett amendment to the DOD authorization bill. Following the 11:30 a.m. vote, the Senate will proceed to the estate tax bill, and if an agreement cannot be reached, the Senate would then resume consideration of the Interior appropriations bill. A finite list of amendments may have been agreed to with respect to the Interior appropriations bill; therefore, votes could occur throughout the day and into the evening with respect to the Interior bill.

Also, the Senate may be asked to resume the Death Tax Elimination Act with amendments in order, if an agreement can be reached between the two leaders. It is hoped that the Senate can conclude the Interior bill and the DOD authorization bill by the close of business on Wednesday. The leadership has announced that the Senate will consider and complete the reconciliation bill during this week's session also.

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ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. WARNER. If there is no further business to come before the Senate, I now ask unanimous consent the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 8:38 p.m., adjourned until Wednesday, July 12, 2000, at 9:30 a.m.