

all" of the assets of the holding company consist of stock of active controlled subsidiaries. The practical effect of this language is to prevent holding companies from engaging in spin-offs if they own almost any other assets. This is in sharp contrast to corporations that operate businesses directly, which can own substantial assets unrelated to the business and still engage in tax-free spinoff transactions.

In the real world, of course, holding companies may, for many sound business reasons, hold other assets, such as noncontrolling (less than 80 percent) interests in subsidiaries, controlled subsidiaries that have been owned for less than five years (which are not considered "active businesses" under section 355), or a host of nonbusiness assets. Such holding companies routinely undertake spinoff transactions, but because of the awkward language used in section 355(b)(2)(A), they must first undertake one or more (often a series of) preliminary reorganizations solely for the purpose of complying with this inexplicable language of the Code.

Such preliminary reorganizations are at best costly, burdensome, and without any business purpose, and at worst, they seriously interfere with business operations. In a few cases, they may be so costly as to be prohibitive, and cause the company to abandon an otherwise sound business transaction that is clearly in the best interest of the corporation and the businesses it operates.

There is no tax policy reason, tax advisors agree, to require the reorganization of a consolidated group that is clearly engaged in the active conduct of a trade or business, as a condition to a spinoff. Nor is there any reason to treat affiliated groups differently than single operating companies. Indeed, no one has ever suggested one. The legislative history indicates Congress was concerned about noncontrolled subsidiaries, which is elsewhere adequately addressed, not consolidated groups.

For many purposes, the Tax Code treats affiliated groups as a single corporation. Therefore, the simple remedy I am proposing today for the problem created by the awkward language of section 355(b)(2)(A) is to apply the active business test to an affiliated group as if it were a single entity.

Mr. President, I ask unanimous consent that the text 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. 2538

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### **SECTION 1. MODIFICATION OF ACTIVE BUSINESS DEFINITION.**

(a) IN GENERAL.—Section 355(b)(2) of the Internal Revenue Code of 1986 (defining active conduct of a trade or business) is amended by adding at the end the following: "For purposes of subparagraph (A), all corporations that are members of the same affiliated group (as defined in section 1504(a)) shall be treated as a single corporation."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distributions or transfers after the date of the enactment of this Act. •

By Mr. GRAMM:

S.J. Res. 59. A joint resolution to provide for a Balanced Budget Constitutional Amendment that prohibits the use of Social Security surpluses to achieve compliance; read the first time.

#### **BALANCED BUDGET CONSTITUTIONAL AMENDMENT**

Mr. GRAMM. Mr. President, I rise today to introduce a Balanced Budget Constitutional Amendment which is designed to protect Social Security. Since we last considered a balanced budget amendment in the Senate, we have achieved balance in the unified federal budget for the first time in 30 years, and have made substantial progress toward achieving balance without relying on the surpluses currently accumulating in Social Security. For 1998, the most recent projections by the Congressional Budget Office show a unified budget surplus of \$63 billion, and an on-budget deficit of just \$41 billion when the \$104 billion surplus in Social Security is not counted. This on-budget deficit is projected to disappear by 2002 under current budget policies.

The Balanced Budget Constitutional Amendment I am introducing today is identical to S.J. Res. 1, which received 66 votes in the Senate on March 4, 1997, except that surplus revenues in Social Security are not counted in determining compliance. It is also identical to the Dorgan substitute and Reid perfecting amendments to S.J. Res. 1, which received 41 and 44 votes respectively, except that while Social Security surpluses are not counted, any deficit in Social Security must be offset by an equivalent on-budget surplus. This distinction is important because Social Security is projected to begin running cash-flow deficits in the year 2013.

The President and a majority of Congress have expressed support for balancing the budget without counting Social Security surpluses, and now that goal is within our reach. We should take this opportunity to approve this Constitutional amendment and send it to the States for ratification. This Constitutional amendment would provide the structure and enforcement mechanism to allow us to achieve this bipartisan goal.

#### **ADDITIONAL COSPONSORS**

S. 375

At the request of Mr. MCCAIN, the names of the Senator from Missouri (Mr. ASHCROFT) and the Senator from Georgia (Mr. CLELAND) were added as cosponsors of S. 375, a bill to amend title II of the Social Security Act to restore the link between the maximum amount of earnings by blind individuals permitted without demonstrating

ability to engage in substantial gainful activity and the exempt amount permitted in determining excess earnings under the earnings test.

S. 852

At the request of Mr. LOTT, the name of the Senator from Arizona (Mr. KYL) was added as a cosponsor of S. 852, a bill to establish nationally uniform requirements regarding the titling and registration of salvage, nonrepairable, and rebuilt vehicles.

S. 1427

At the request of Mr. FORD, the name of the Senator from Montana (Mr. BURNS) was added as a cosponsor of S. 1427, a bill to amend the Communications Act of 1934 to require the Federal Communications Commission to preserve lowpower television stations that provide community broadcasting, and for other purposes.

S. 1529

At the request of Mr. REID, his name was added as a cosponsor of S. 1529, a bill to enhance Federal enforcement of hate crimes, and for other purposes.

At the request of Mr. CHAFEE, his name was added as a cosponsor of S. 1529, supra.

S. 1822

At the request of Mr. ROCKEFELLER, the name of the Senator from Virginia (Mr. ROBB) was added as a cosponsor of S. 1822, a bill to amend title 38, United States Code, to authorize provision of care to veterans treated with nasopharyngeal radium irradiation.

S. 2039

At the request of Mr. BINGAMAN, the name of the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 2039, a bill to amend the National Trails System Act to designate El Camino Real de Tierra Adentro as a National Historic Trail.

S. 2110

At the request of Mr. BIDEN, the names of the Senator from Virginia (Mr. ROBB) and the Senator from South Dakota (Mr. DASCHLE) were added as cosponsors of S. 2110, a bill to authorize the Federal programs to prevent violence against women, and for other purposes.

S. 2145

At the request of Mr. SHELBY, the names of the Senator from Kansas (Mr. BROWNBACK) and the Senator from Montana (Mr. BURNS) were added as cosponsors of S. 2145, a bill to modernize the requirements under the National Manufactured Housing Construction and Safety Standards Act of 1974 and to establish a balanced consensus process for the development, revision, and interpretation of Federal construction and safety standards for manufactured homes.

S. 2180

At the request of Mr. LOTT, the names of the Senator from Alabama (Mr. SHELBY) and the Senator from Vermont (Mr. JEFFORDS) were added as cosponsors of S. 2180, a bill to amend the Comprehensive Environmental Response, Compensation, and Liability

Act of 1980 to clarify liability under that Act for certain recycling transactions.

S. 2190

At the request of Mr. KENNEDY, the name of the Senator from Virginia (Mr. ROBB) was added as a cosponsor of S. 2190, a bill to authorize qualified organizations to provide technical assistance and capacity building services to microenterprise development organizations and programs and to disadvantaged entrepreneurs using funds from the Community Development Financial Institutions Fund, and for other purposes.

S. 2205

At the request of Mr. DORGAN, the names of the Senator from Oregon (Mr. SMITH), the Senator from South Dakota (Mr. DASCHLE), the Senator from Nevada (Mr. BRYAN), the Senator from Montana (Mr. BURNS), the Senator from Michigan (Mr. LEVIN), and the Senator from Missouri (Mr. BOND) were added as cosponsors of S. 2205, a bill to require the Secretary of the Treasury to mint coins in commemoration of the bicentennial of the Lewis & Clark Expedition, and for other purposes.

S. 2233

At the request of Mr. CONRAD, the names of the Senator from Louisiana (Mr. BREAU) and the Senator from West Virginia (Mr. BYRD) were added as cosponsors of S. 2233, a bill to amend section 29 of the Internal Revenue Code of 1986 to extend the placed in service date for biomass and coal facilities.

S. 2235

At the request of Mr. ROBB, his name was added as a cosponsor of S. 2235, a bill to amend part Q of the Omnibus Crime Control and Safe Streets Act of 1968 to encourage the use of school resource officers.

S. 2253

At the request of Mr. ROBB, his name was added as a cosponsor of S. 2253, a bill to establish a matching grant program to help State and local jurisdictions purchase bullet resistant equipment for use by law enforcement departments.

S. 2325

At the request of Mr. GRAMM, the name of the Senator from Pennsylvania (Mr. SANTORUM) was added as a cosponsor of S. 2325, a bill to provide an opportunity for States to modify agreements under title II of the Social Security Act with respect to student wages.

S. 2326

At the request of Mr. LAUTENBERG, his name was added as a cosponsor of S. 2326, a bill to require the Federal Trade Commission to prescribe regulations to protect the privacy of personal information collected from and about children on the Internet, to provide greater parental control over the collection and use of that information, and for other purposes.

S. 2353

At the request of Mr. DURBIN, the name of the Senator from South Da-

kota (Mr. DASCHLE) was added as a cosponsor of S. 2353, a bill to redesignate the legal public holiday of "Washington's Birthday" as "Presidents' Day" in honor of George Washington, Abraham Lincoln, and Franklin Roosevelt and in recognition of the importance of the institution of the Presidency and the contributions that Presidents have made to the development of our Nation and the principles of freedom and democracy.

S. 2364

At the request of Mr. CHAFEE, the names of the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Hawaii (Mr. INOUE) were added as cosponsors of S. 2364, a bill to reauthorize and make reforms to programs authorized by the Public Works and Economic Development Act of 1965.

S. 2395

At the request of Mr. DOMENICI, the names of the Senator from Mississippi (Mr. COCHRAN) and the Senator from Hawaii (Mr. INOUE) were added as cosponsors of S. 2395, a bill to provide grants to strengthen State and local health care systems' response to domestic violence by building the capacity of health care professionals and staff to identify, address, and prevent domestic violence.

S. 2418

At the request of Mr. JEFFORDS, the names of the Senator from Oregon (Mr. WYDEN) and the Senator from Indiana (Mr. LUGAR) were added as cosponsors of S. 2418, a bill to establish rural opportunity communities, and for other purposes.

S. 2484

At the request of Mr. JOHNSON, his name was added as a cosponsor of S. 2484, a bill to combat violent and gang-related crime in schools and on the streets, to reform the juvenile justice system, target international crime, promote effective drug and other crime prevention programs, assist crime victims, and for other purposes.

S. 2520

At the request of Mr. MOYNIHAN, the name of the Senator from Connecticut (Mr. DODD) was added as a cosponsor of S. 2520, a bill to exclude from Federal taxation any portion of any reward paid to David R. Kaczynski and Linda E. Patrik which is donated to the victims in the Unabomber case or their families or which is used to pay Mr. Kaczynski's and Ms. Patrik's attorneys' fees.

#### SENATE JOINT RESOLUTION 56

At the request of Mr. GRASSLEY, the names of the Senator from Oregon (Mr. SMITH) and the Senator from Kansas (Mr. ROBERTS) were added as cosponsors of Senate Joint Resolution 56, a joint resolution expressing the sense of Congress in support of the existing Federal legal process for determining the safety and efficacy of drugs, including marijuana and other Schedule I drugs, for medicinal use.

#### SENATE CONCURRENT RESOLUTION 83

At the request of Mr. WARNER, the name of the Senator from Mississippi

(Mr. COCHRAN) was added as a cosponsor of Senate Concurrent Resolution 83, a concurrent resolution remembering the life of George Washington and his contributions to the Nation.

#### SENATE RESOLUTION 257

At the request of Mr. MURKOWSKI, the names of the Senator from Montana (Mr. BURNS), the Senator from Arkansas (Mr. HUTCHINSON), the Senator from North Dakota (Mr. CONRAD), and the Senator from Illinois (Ms. MOSELEY-BRAUN) were added as cosponsors of Senate Resolution 257, a resolution expressing the sense of the Senate that October 15, 1998, should be designated as "National Inhalant Abuse Awareness Day."

#### SENATE RESOLUTION 271

At the request of Mr. BIDEN, the names of the Senator from Michigan (Mr. ABRAHAM), the Senator from Hawaii (Mr. AKAKA), the Senator from Missouri (Mr. ASHCROFT), the Senator from Montana (Mr. BAUCUS), the Senator from Utah (Mr. BENNETT), the Senator from New Mexico (Mr. BINGAMAN), the Senator from California (Mrs. BOXER), the Senator from Kansas (Mr. BROWNBACK), the Senator from Nevada (Mr. BRYAN), the Senator from West Virginia (Mr. BYRD), the Senator from Colorado (Mr. CAMPBELL), the Senator from Rhode Island (Mr. CHAFEE), the Senator from Mississippi (Mr. COCHRAN), the Senator from New York (Mr. D'AMATO), the Senator from Connecticut (Mr. DODD), the Senator from North Dakota (Mr. DORGAN), the Senator from Illinois (Mr. DURBIN), the Senator from North Carolina (Mr. FAIRCLOTH), the Senator from California (Mrs. FEINSTEIN), the Senator from Kentucky (Mr. FORD), the Senator from Ohio (Mr. GLENN), the Senator from Florida (Mr. GRAHAM), the Senator from Texas (Mr. GRAMM), the Senator from Iowa (Mr. GRASSLEY), the Senator from New Hampshire (Mr. GREGG), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Texas (Mrs. HUTCHISON), the Senator from Hawaii (Mr. INOUE), the Senator from Vermont (Mr. JEFFORDS), the Senator from South Dakota (Mr. JOHNSON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Nebraska (Mr. KERREY), the Senator from Louisiana (Ms. LANDRIEU), the Senator from New Jersey (Mr. LAUTENBERG), the Senator from Vermont (Mr. LEAHY), the Senator from Connecticut (Mr. LIEBERMAN), the Senator from Florida (Mr. MACK), the Senator from Arizona (Mr. MCCAIN), the Senator from Maryland (Ms. MIKULSKI), the Senator from Illinois (Ms. MOSELEY-BRAUN), the Senator from New York (Mr. MOYNIHAN), the Senator from Alaska (Mr. MURKOWSKI), the Senator from Washington (Mrs. MURRAY), the Senator from Nevada (Mr. REID), the Senator from Virginia (Mr. ROBB), the Senator from Delaware (Mr. ROTH), the Senator from Maryland (Mr. SARBANES), the Senator from Oregon (Mr. SMITH), the Senator from Maine (Ms. SNOWE), the Senator from Pennsylvania (Mr. SPECTER), the Senator from South Carolina (Mr.

THURMOND), the Senator from New Jersey (Mr. TORRICELLI), and the Senator from Minnesota (Mr. WELLSTONE) were added as cosponsors of Senate Resolution 271, a resolution designating October 16, 1998, as "National Mammography Day."

**SENATE CONCURRENT RESOLUTION 122—EXPRESSING THE SENSE OF THE CONGRESS RELATIVE TO THE 65TH ANNIVERSARY OF THE UKRAINIAN FAMINE OF 1932-1933**

Mr. LEVIN submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 122

Whereas this year marks the 65th anniversary of the Ukrainian Famine of 1932-1933 that caused the deaths of at least 7,000,000 Ukrainians and that was covered up and officially denied by the government of the former Soviet Union;

Whereas millions of Ukrainians died, not by natural causes such as pestilence, drought, floods, or a poor harvest, but by policies designed to punish Ukraine for its aversion and opposition to the government of the former Soviet Union's oppression and imperialism, including the forced collectivization of agriculture;

Whereas when Ukraine was famine-stricken, the government of the former Soviet Union exported 1,700,000 tons of grain to the West while offers from international relief organizations to assist the starving population were rejected on the grounds that there was no famine in Ukraine and no need for the assistance;

Whereas the borders of Ukraine were tightly controlled and starving Ukrainians were not allowed to cross into Russian territory in search of bread;

Whereas in his book "The Harvest of Sorrow", British historian Robert Conquest explains, "A quarter of the rural population, men, women, and children, lay dead or dying, the rest in various stages of debilitation with no strength to bury their families or neighbors.";

Whereas the Commission on the Ukraine Famine was established on December 13, 1985, to conduct a study with the goal of expanding the world's knowledge and understanding of the famine and to expose the government of the former Soviet Union for its atrocities in the famine;

Whereas the Commission's report to Congress confirmed that the government of the former Soviet Union consciously employed the brutal policy of forced famine to repress the Ukrainian population and to oppress the Ukrainians' inviolable religious and political rights; and

Whereas the Commission on the Ukraine Famine presented 4 volumes of findings and conclusions, 10 volumes of archival material, and over 200 cassettes of testimony from famine survivors to the newly independent Government of Ukraine in 1993, during the official observances of the 60th anniversary of the Ukrainian famine in Kyiv, Ukraine: Now, therefore, be it

*Resolved by the Senate (the House of Representatives concurring),*

**SECTION 1. SENSE OF CONGRESS.**

It is the sense of Congress that—

(1) the victims of the government of the former Soviet Union-engineered Ukrainian Famine of 1932-1933 be solemnly remembered on its 65th anniversary;

(2) the Congress condemns the systematic disregard for human life, human rights, human liberty, and self-determination that characterized the repressive policies of the government of the former Soviet Union during the Ukrainian Famine of 1932-1933;

(3) on the 65th anniversary of the Ukrainian Famine of 1932-1933, in contrast to the policies of the government of the former Soviet Union, Ukraine is moving toward democracy, a free-market economy, and full respect for human rights, and it is essential that the United States continue to assist Ukraine as it proceeds down this path; and

(4) any supplemental material that will assist in the dissemination of information about the Ukrainian Famine of 1932-1933, and thereby help to prevent similar future tragedies, be compiled and made available worldwide for the study of the devastation of the famine.

**SEC. 2. TRANSMITTAL OF THE RESOLUTION.**

The Secretary of the Senate shall—

(1) transmit a copy of this resolution to—

(A) the President;

(B) the Secretary of State; and

(C) the co-chairs of the Congressional Ukrainian Caucus; and

(2) request that the Secretary of State transmit a copy of this resolution to the Government of Ukraine.

• Mr. LEVIN. Mr. President, today I submit a resolution commemorating the 65th anniversary of the Ukrainian Famine of 1932-1933. During the period 1932-1993, the repressive policies of the government of the former Soviet Union, directed by Joseph Stalin, led to the deaths of at least seven million Ukrainians. Stalin's war on the Ukraine sought to eradicate its unique religious, cultural and political characteristics for the purpose of achieving complete Soviet domination.

For the most part, the famine and its victims can be traced to the forced collectivization of agricultural production. Collectivization was central to Stalin's efforts to break the will of the Ukrainian land-owning peasants and a conscious part of his plan to bring about an end to Ukrainian nationalism, ultimately leading to total Communist control. Stalin's forced collectivization of agriculture changed the face of Ukraine. Stalin repeatedly raised the quota productions for agriculture, so much so that the vast majority of Ukrainian agricultural production was being transferred from the region. These increased production quotas for exports depleted the amount of food for the people of Ukraine. The quota increases began a vicious cycle of less food which led to the exhaustion of farm workers, which in turn led to even smaller harvests and ultimately famine. Harvest yields were further diminished when the peasants were forced to abandon their accustomed ways of farming and use collectivized farming techniques.

During this period, food became so scarce that people were left to scavenge for what little they could find. There are horrible accounts of people being sentenced to death for stealing sheaves of corn. The fields once owned and worked by the peasants were now supervised by armed guards, while an environment of suspicion and fear con-

sumed the Ukrainian people. Individuals who did not quickly show the signs of starvation were often accused of hoarding food. At the same time that the Ukrainian people were risking their lives for the smallest amount of food to sustain themselves and their families, the Soviet Union was denying that there was a crisis and refusing to allow assistance from international relief organizations to be delivered in the region. Throughout this turbulent period, Stalin further exacerbated the situation by working to turn Ukrainians against one another. The famine followed an assault on the Kulaks, or petty bourgeoisie, and a purge of the Ukrainian intelligentsia.

While this tragic period of Ukrainian history is often difficult to revisit, we must do so in order to ensure that the world will not to endure a tragedy such as this again. When children in the United States study the dark periods of human history, it is important that the Ukrainian famine of 1932-1933 be included. It is also important to note that despite the tragedy the people of Ukraine endured at the hands of Stalin's government and many years of Soviet domination, Ukraine has re-emerged with its vibrant cultural and religious traditions intact and strong.

Mr. President, I am proud to sponsor this resolution commemorating the 65th anniversary of the Ukrainian Famine and I urge all Senators to show their support. •

**SENATE CONCURRENT RESOLUTION 123—EXPRESSING THE SENSE OF CONGRESS REGARDING THE POLICY OF THE FOREST SERVICE TOWARD RECREATIONAL SHOOTING AND ARCHERY RANGES ON FEDERAL LAND**

Mr. MCCAIN (for himself, Mr. KYL, Mr. CRAIG, and Mr. LOTT) submitted the following concurrent resolution; which was referred to the Committee on Energy and Natural Resources.

S. CON. 123

Whereas the Forest Service is developing a national policy to guide its management of existing and proposed shooting and archery ranges on national forest land;

Whereas when managed appropriately, firearm and archery sports are a legitimate use of national forest land;

Whereas the Forest Service has proceeded with closure actions of recreational shooting ranges on Forest Service land without prior notification to Congress or the general public;

Whereas on March 10, 1997, the Forest Service suspended the special-use permit of the Tucson Rod and Gun Club located in the Coronado National Forest near Tucson, Arizona; and

Whereas the Forest Service is evaluating alternative sites in the Coronado National Forest that could be used by the Tucson Rod and Gun Club for firearm and archery sports, the Secretary of Agriculture has directed the expeditious completion of the environmental assessment, and the Forest Service has committed to notify Congress of its decision by November 20, 1998: Now, therefore, be it