

I rise today to applaud an industry that is so dynamic that it has depleted the tremendous human resources available in this country so swiftly. We, as a nation, should take great pride in our technology sector, and even greater pride that this robust sector of our economy continues to thrive.

One frightening trend that has begun to emerge in this Congress is the consideration of laws that would directly involve the federal government in the operations of the technology sector. Any number of bills introduced with the best of intentions would have ignored budding and dynamic technology and instead imposed a quick legislative fix that would have remained in the code for years. This push for instant gratification and instant solutions will lead to disastrous results in the dynamic area of high technology. Instead, Members of Congress must start making the tough decisions on how to allow our technology sector to continue to be an engine of growth for our economy, continue to provide greater efficiencies for business, guarantee lifestyle enhancements to all people, and continue to position the United States as the world's technology leader. We need to focus less on imposing new government obstacles to tomorrow's technologies and more on removing government as an obstacle to growth in this dynamic sector.

This brings me to Senator ABRAHAM's legislation, the American Competitiveness Act. I am proud to be a cosponsor of this important legislation because it removes a government-imposed limit on the growth of the technology sector. We should all support the Abraham legislation as a means to facilitate the continued growth and success of an industry that is so important to our nation.

In closing, Mr. President, I must call attention to another troubling aspect of this debate, the glaring omission of leadership from the Clinton Administration. I am frustrated by this Administration's continuing talk of support for the industry of Silicon Valley. As I cast about in search of that support I find precious little. So I just ask—where is the Administration support for this important legislation? Where is the support for a well thought-out encryption policy, for the elimination of arbitrarily imposed taxation of the Internet—which currently remains international in scope but subject to tax by any municipality, or for leadership in confronting what may be the most dangerous threat to our economy, The Year 2000 bug? Mr. President, where was the Administration just two weeks ago when we were fighting to take a truly damaging provision on digital signatures out of the IRS bill?

I urge the Administration live up to its words and help us create jobs and growth in the technology sector. It is time for the Administration to stop talking the talk and begin walking the walk.

I urge my colleagues to support this legislation. I commend the subcommit-

tee chairman, Senator ABRAHAM, for his outstanding work in this respect. It is not merely an immigration bill; this is a bill that relates to the success of the high-tech industry, an industry in which America continues to be the No. 1 power.

What is the situation regarding time?

The PRESIDING OFFICER. The Senator has 10 minutes to speak as in morning business.

Mr. ASHCROFT. I thank you for informing me of that.

TOBACCO SETTLEMENT LEGISLATION

Mr. ASHCROFT. I rise in opposition to the massive tax increases that are contained in the so-called tobacco settlement. I want the Senate to know that I will fight to kill any tobacco bill that contains a tax increase of the magnitude being considered, \$868 billion.

The proposed tobacco bill is nothing more than an excuse for Washington to raise taxes and spend more money on Federal programs. It is a shame that bad decisions made by free people in Washington, DC, become the basis for a monumental task. The decision to smoke isn't a good decision, but it is something that people are free to do. And we are using it as the basis for an incredible and substantial tax.

Let me just say that this tobacco settlement is the largest proposed increase in Government and bureaucracy since the proposed health care scheme, which both this Senate and the American people had the good judgment to reject.

It would be a travesty for Congress to use tobacco as a smokescreen for imposing this massive tax increase on the people of America and to cover an expansion of the "nanny" state.

This massive tax increase would be levied against those who are least capable of paying for it. According to the Congressional Research Service, "Tobacco taxes * * * are perhaps the most regressive tax levied."

Here we have a tax that falls most heavily on poor people. About 60 percent of this tax would fall on families earning \$30,000 or less. Let me go to this chart. People earning under \$30,000 would pay 59.4 percent of this tax; people paying \$115,000 or more, 3.7 percent of this tax. This is nothing more or less than a massive tax increase, the incidence of which falls most heavily on poor families earning \$30,000 or less. I think many times these are young families—mom and dad, maybe a couple of kids—stretching to make ends meet on \$30,000 or less, and the lion's share, the overwhelming lion's share, is coming out of the pockets of individuals making less than \$30,000 a year.

According to the Congressional Research Service, households earning less than \$10,000 would feel the bite of the tax most of all. Smokers making less than \$10,000 would pay in excess of 5 percent of their income in additional

taxes. This is a massive tax increase on the poor. If Washington gets its way, cigarette excise taxes will rise by \$1.50 a pack. For someone who smokes two packs a day and whose spouse perhaps smokes one pack as well, this amounts to a tax increase of \$1,642.50 annually. And that tax increase for three packs a day on the family would be the same, whether the family was very poor or the family was very wealthy. To find out the magnitude of this tax, if you take \$1,642 a year out of the income of poor Americans, you are really impairing significantly their ability to provide for their families.

It is immoral for this Government to tell poor families, you cannot provide for yourselves; we are going to take the money from you and force you to come to the Government to ask us to provide for you. Moreover, the new taxes paid by someone smoking two packs daily would exceed the per capita tax relief contained in the Senate budget resolution by a factor of 50.

The Senate budget resolution proposed tax relief for America. For the average smoker, smoking two packs a day, they would have a tax burden added to them 50 times as great as the tax relief that we proposed in the budget. I think that is unconscionable. It is obvious that the most addictive thing in Washington is not nicotine, the most addictive thing is taxing and spending.

In the 15 years prior to 1995, Congress has passed 13 major tax increases. A list of those tax increases includes the Crude Oil Windfall Profit Tax of 1980, the Omnibus Reconciliation Act of 1980, Tax Equity and Fiscal Responsibility Act of 1982, Social Security Amendments of 1983. Last year's Taxpayer Relief Act was the first meaningful tax cut since 1981.

The tobacco tax increase will more than erase—more than erase—all of the benefit to the American people of the tax cut passed last year. The tobacco tax increase also exceeds by a factor of 3 the relief projected in the budget resolution passed by the Senate last month, even as it applies to the entire population, not just to smokers.

The Congressional Budget Office expects the budget surplus will swell to between \$43 billion and \$63 billion this year. Why is that? Taxpayers are working longer, they are working harder, they are paying more taxes. You don't have the swelling of revenue to the Federal Government because people aren't paying taxes; you have it precisely because they are paying taxes. Taxes are going up. And we should be debating how to return money to the taxpayers, not how to siphon more out of their pockets—especially out of hard-working Americans at lower-income levels. The proposed tobacco bill is nothing more than an excuse for Washington to raise taxes and spend more money on new Federal programs. I will fight to kill any tobacco tax bill that contains a tax increase of the magnitude being considered. It is an affront to the dignity of Americans and

it is immoral to take this kind of money away from poor families, which will force them into dependence on government in some circumstances, rather than allow them to have the money they earn to spend on their families.

To paraphrase President Reagan, the whole controversy comes down to this: Are you entitled to the fruits of your own labor, or does Government have some presumptive right to tax and tax and tax?

I urge my colleagues to oppose this legislation.

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.

AMERICAN COMPETITIVENESS ACT

The Senate continued with the consideration of the bill.

Mr. KENNEDY. 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. KENNEDY. Mr. President, I know we have the time allocation. Could the Chair tell me how much remains on our side?

The PRESIDING OFFICER. The Senator's side has 47 minutes remaining.

Mr. KENNEDY. Mr. President, I yield such time as I might use.

Mr. President, as of May 7 the immigration quota for skilled temporary foreign workers was full. The 65,000 visas available each year under the H-1B visa category have been claimed. For the remainder of the fiscal year—almost 5 months—no more visas are available. The quota filled rapidly this year because U.S. high-tech computer companies are bringing in foreign programmers in record numbers. America's high-tech industry is undergoing extraordinary growth, and the demand is high for more workers, so they have turned to the immigration laws to bring them in from abroad. A temporary increase in the immigration quota is justified. We all want to ensure that our high-tech industries get the workers they need to remain healthy and competitive.

I have always felt that with regard to our immigration laws we ought to, first of all, recognize the importance of families and family reunification; and then, secondly, if they are going to bring in those who have special skills, which is going to expand the American economy, a case could be made for those individuals. They could make that—particularly in the years of 1980 and as we came into 1990, we are facing the unemployment that we are facing, we did recognize the importance of these special skills that will result in expanding the American economy and expanded employment. That does make sense.

The demand for more foreign workers is an embarrassing indictment of our

failure to provide adequate training for American workers. These are good high-tech jobs in the modern economy. Over the next decade, it is estimated that high-tech computer companies will need 1.3 million additional employees, and American workers deserve help in obtaining the skills to compete for them.

It is not enough just to raise the immigration quota. Any bill that passes this Congress should, I believe, have two additional things. First, it must assure American workers that they will get the training opportunities they need to compete for these good jobs. It makes no sense to throw in the towel by increasing the immigration quota, even temporarily, without also investing substantially in the training of U.S. workers. We must not give away these good jobs forever. We must invest in our workers, and that means putting real money on the table for training American workers.

The bill that came out of our committee, I believe, failed. It was a good-faith effort to try to do so, but I believe it failed in making that kind of commitment. We have been working with the chairman of the committee to address that particular issue. There is no reason in the world why we should not provide these kinds of skills for American workers. That is really what this debate here this afternoon is all about. We recognize that we may very well have a need to increase this category in order to bring in some of those that have particular skills that might be important in terms of our American industry, and we can have a chance to go over the record on that particular issue. I think, quite frankly, it is a mixed issue. Nonetheless, given the evaluation of the information that is out there, I think we should take a temporary step. But beyond that, there is no reason why we should not develop the kinds of training programs and the kinds of initiatives to make sure, to the extent possible, that we are going to provide the skills to American workers so they can have the jobs, and not just have a more open-ended immigration policy in these categories for foreign-trained workers. That really is an important part of this debate.

A second very important part of this debate is how we are going to treat the American workers. We find that at least we will have a chance, probably, to go into this in some detail, and that there is at least a record out there that a number of these individuals come into this country, and they know that if they have their job terminated, they are effectively deported; they can't retain their green card. There is some evidence that these individuals have displaced American workers who were holding those jobs.

Then, subsequently, there has been an adverse impact on the wages of those workers who are virtually handcuffed, so-to-speak, and trying to complain about it, because if they complain, they are shipped back overseas.

We want to make sure that, one, as a great Nation that has the capacity to train our workers, we are going to provide skills for those workers. For every worker that goes into the job market today, they are going to have seven different jobs. Under the excellence bill, which was passed just over a week ago by the leadership of Senators DEWINE, JEFFORDS, and WELLSTONE, we have tried to bring our training programs up to the demands of the turn of the century, so that Americans are going to have a continuing possibility for upgrading their skills. They are going to need that.

We as a nation should make sure that those kinds of opportunities for self-improvement are going to be available to working families in this country. That is very, very important, I believe.

The Senate went on record a week ago with a very strong bipartisan vote to do just that. We don't want to carve out an area. We don't want to say we will train Americans for some jobs but we are not going to train them for the computer jobs in this Nation. That makes no sense. That virtually turns our back on what we committed to American working families just a week ago. We shouldn't carve this area out and say, "We are not going to provide that." That is why we have been working with our friend and colleague, the Senator from Michigan, to try to address that. I think we have seen some important movement on this issue. I certainly appreciate his understanding of that importance. We are trying to work out an approach on that. That is going to meet some of the concerns that he and others have.

But a second important point is that we don't want to say to American workers who are working in the computer industry now, to have their boss come up to them and say, "You are fired because we have someone else who will replace you at the same wage." That is legal in America today. Any of these large companies can bring in the temporary workers having met some rather fundamental kinds of requirements and just displace Americans. I think that is wrong. I think that is absolutely and fundamentally wrong. We will have an amendment to try to address that issue.

Second, we want to make sure that there is going to be at least an effort, some effort. All we are talking about in this case is an attestation; we are saying to the employer that you attest that you have made an effort to try to hire an American worker. What we are saying is we are not setting up any type of rule or regulation. We are saying whatever the industry requires, whatever the pattern is in the particular industry. So if a particular industry is just publishing something on the Internet, e-mail, whatever, that is sufficient in terms of meeting that requirement. Whatever the industry does, we say that is fine. All the company has to do is just say OK, we have done that. That is all. That is the total