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Senate

The Senate met at 9:30 a.m. and was called to order by the President pro tempore (Mr. Thurmond).

PRAYER

The guest Chaplain, Dr. D. James Kennedy, Coral Ridge Presbyterian Church, Fort Lauderdale, FL, offered the following prayer:

May we pray.

Almighty and most loving Heavenly Father, we thank Thee for this day. We thank Thee for this Nation, this goodly land in which You have placed us. And I thank You for this Senate which bears the awesome responsibility of guiding and directing the affairs of this Nation. And I pray this day Your blessing upon every Member of this body, upon their wives, or husbands, upon their children, their families. I pray that You would give them Your guidance and Your wisdom and discernment that all that they do may be done for the betterment of our Nation and for the glory of God.

We pray, O Lord, that You will be with them in their efforts this day. Help them in all that they do, and use it all for Your glory.

This prayer I bring in the name of Jesus Christ, my Lord and Savior, Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader is recognized.

SCHEDULE

Mr. ASHCROFT. Mr. President, this morning the Senate will begin a period of morning business until 10:30 a.m. Following morning business, the Senate will resume consideration of the tobacco bill with the Ford amendment pending regarding tobacco farmers. Following disposition of the Ford amendment, it is hoped that further

amendments will be offered and debated during today's session.

The Senate may also consider any other legislative or executive items that may be cleared for action.

Therefore, rollcall votes are possible throughout today's session.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. HUTCHINSON). Under the previous order, leadership time is reserved.

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 10:30 a.m., with Senators permitted to speak therein for up to 5 minutes each.

Under the previous order, the Senator from Missouri is recognized to speak for up to 20 minutes.

The Senator from Missouri.

Mr. ASHCROFT. Mr. President, I thank you very much.

THE SO-CALLED TOBACCO BILL

Mr. ASHCROFT. Mr. President, today will be a defining day in Washington, DC. It will be a defining day in the Congress of the United States. More specifically, it will be a defining day in the U.S. Senate.

This is a day on which we will make very important decisions, decisions that will reflect whether or not we believe that government—invasive, bigger, stronger, more consumptive government—is something to be fostered and encouraged, or we are going to say that we believe the people have the ability to make good decisions on their own and that we will not promote a government which will take more and more from the people, leaving them with less and less, not only in terms of resources but leaving them with less and less freedom.

We are going to be talking about the so-called tobacco bill today, which unfortunately is more of a smokescreen for a tax increase and big government than it is anything else.

The Democrats have rightly suggested, have appropriately stated, that the fate of this bill really rests in the hands of Republicans. And I believe that those of us who are on the Republican side of this Senate will make decisions, and we will either decide to pass this massive tax increase, to pass and institute this set of bureaucracies, the scale of which has not been seen in a long time in a bill in Washington, DC—we will either decide to pass an invasive sort of intermeddling by the Federal Government in a wide variety of the affairs of individuals, or we will decide that we believe that the appropriate action is not to tax the American people with another \$868 billion in tax, is not to create 17 new boards, commissions, and agencies to try to micromanage everything from convenience stores and gas stations up to grocery stores and larger institutions that sell merchandise.

But the Democrats are right in suggesting that the decision will be made on the Republican side of the aisle. We will make a decision about whether or not to go forward with the tobacco bill, the smokescreen for the world's biggest tax increase this year. I don't know of any proposed tax increase this year that can match this proposed tax increase. And the direction we take will be a test of the way in which we lead, and it will be a test of the Republican leadership of the Senate.

Republican leadership has a responsibility to lead to Republican ideals and call us to our highest and best as people, and to give us the opportunity to be responsible as individuals and to shrink the size of government, not to

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



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S6433

expand it, to leave resources in the hands of the people, not sweep them into the coffers of government.

Our leadership has called upon DON NICKLES to manage this bill because the leader of the Republicans and the leader of the Senate has recused himself in large measure from this consideration. I thank Senator NICKLES for his outstanding efforts in this respect. I want to commend him for his opposition to this kind of invasion into the lives and pocketbooks of Americans and invasion into the liberties of Americans.

I want to commend him for his understanding that this is a bill about big government and big taxes, not a bill about teen smoking. I think he has understood from the very beginning that lots of things that might be done to curtail teen smoking aren't even mentioned. There is not even a whiff or a hint; there is not even the smoke that would follow the evidence of that kind of item in the bill. This is not a bill that makes the possession of tobacco by teens illegal, or provides incentives to do the same, or makes illegal the possession of tobacco by people in the District of Columbia.

If we are really serious about curtailing teen smoking, we might just say to the teens, "You can't have it if it is that evil and that inappropriate." We have done that with alcohol. We have provided lots of ways in which we provide incentives from the Federal Government for States and others to make sure that young people do not have access to alcohol. That is not a part of this bill.

DON NICKLES has understood this bill, I believe, as a massive tax increase, a big-government explosion, which I think is appropriate in terms of the identification. I want to commend him for his leadership here.

There is a choice to be made in this bill, and the choice is simple: Is the Senate going to return to tax and spend? Is it going to identify itself with the history of the Congress when it was under Democratic control and authority that the way we handle America is to tax more and spend more and tax more and spend more? Are we going to extend the line of taxation and spending beyond where it already is?

It is important to note where we have come. We have not just arrived at a place where we are taxing and spending. We have arrived at a place where we are now taxing and spending more than we have ever taxed and spent in the history of the United States of America. Governments take more of the income of Americans at this time in history than ever before. We have to ask ourselves as we look behind the smokescreen of this so-called tobacco bill to see what the real components are. And we find \$868 billion—\$868 billion—in new taxes. That is not million dollars, that is billion dollars. This is massive, three-quarters of a trillion dollars plus in new taxes. We have to ask ourselves, do we want to extend

tax and spend, or do we want to decide that we don't believe that government, with its invasive micromanaging of the lives of individuals and its invasive confiscation of the resources of the individuals—we have to decide, do we really want that to be the way in which we operate?

This is a defining moment for the Republican-controlled Senate. How will we respond to this question which is squarely before us today? Are we going to be tax-and-spend respecting government, or are we going to say to the American people we protect the people more than we respect government?

We are not going to allow government to come and sweep out of the resources and freedom of American citizens the kind of resources that are provided for in this bill.

I think we need to look forward to an era of lower taxes. I think we need to look forward to an era of smaller government. I think we need to look forward to an era of personal responsibility and freedom rather than government intervention and government spending and government taxes. I think we need to look forward to a time when States and communities make decisions and not when we have dictates and mandates and impositions from Washington, DC.

This is a defining moment. This is a defining moment for us all. If the choice is whether or not we will discontinue consideration, set aside, defeat this massive tax bill, I believe that is exactly what we should do.

Most Americans have an understanding of what is happening here. They may not have had an understanding when we first started this debate, and you will remember, I think, as I do, when this debate was begun, it was suggested that this entire thing would be just sped through the Senate; that we were going to bring it up the first of the week, and it was going to be over with by the time we left for the Memorial Day recess.

I looked at the bill, and I was shocked. I said, Wait a second; \$868 billion in new taxes, 52 new powers for HHS in Title I alone, Health and Human Services, one Department, 52 new powers, authorities, and responsibilities; 178 new Federal Government powers, far-reaching powers, some with the ability to define and regulate literally whether you could sell cigarettes on the top of the counter, whether they could be in sight, whether they had to be out of sight. And, of course, with small operations like gas stations, when you have a one-room operation, you are just standing out there in the cold, literally in a little glass box. It is hard to have everything out of sight—all those kinds of things. It really stung me that to try and make that consideration in the span of a week was totally inappropriate, and I came to the floor only to find out that there was a plan to table my motion regarding taxes after less than an hour of real consideration, and it was supposed to

be disposed of; we were going to sort of dispose of the financial considerations of an \$868 billion tax on the American people in an hour. Then we were going to table it and move on to just slam this into a position to say that it was going to be the fate of the American people to accept it.

That is when I really said to myself, I have to do something to slow this down so that the American people have a chance to see what this is.

Real leadership is more than just reading the initial poll. The spin doctors of this whole tobacco settlement came in to say how this was really going to punish the tobacco companies. Then you got to reading the fine print, and you found out that there is part of this law which forbids the tobacco companies to make the payments themselves. They must, under the law, pass these charges on to the low-income families that use tobacco. And I say low-income families. I mean it is incredible; this \$868 billion tax will fall primarily, massively, heavily on individuals who are very low income. According to the best authorities, 59.4 percent of this \$868 billion tax will fall on people who make less than \$30,000 a year.

You say, Well, what is a little more tax to those people? A little more tax. If the family is a two-pack-a-day family, it is going to result in something close to \$1,500 a year by the time you figure out all the taxes.

Now, the specific tax that is contained in the bill is \$1.10 a pack, but the bipartisan Joint Committee on Tax put it this way: The price will go up from \$1.98 to \$3.83. Now, if it was just \$1.98 plus \$1.10, that would take it to \$3.08. So what we are talking about is a far bigger increase in the price than just the taxes. And by the time it works its way through the system, the Joint Committee on Tax basically says that individuals will be paying \$4.84 a pack as opposed to \$1.98 a pack. So we are talking about what is just almost a \$3 increase per pack. Now, two packs a day is 700 packs a year, roughly, for the family—700 times 3. By the end of this program, we are talking about over a \$2,000 tax per year on a two-pack-a-day family. That is substantial.

Now, who does this fall on? People making less than \$30,000 a year. What does this do to their children? What does this do to them? These people are addicted. The whole idea is predicated on addiction. You get this kind of price increase, and you get this kind of revenue only if people are not sensitive to the price, only if they can't quit, only if they maintain their habit. You can't project \$868 billion in revenue if you think people are going to quit. So here you have these low-income individuals maybe having as much as \$3 per pack by the year 2007, according to the Joint Committee on Tax, \$3 per pack extra to pay. That is \$1,500 to \$2,000 more taken out of the budget of that family, and these are people, 60 percent of them, who earn less than \$30,000 a year.

And the most repugnant of the figures that they provide is that 44½ percent of the people paying this tax will earn less than \$10,000 a year. This is a tax to fall upon those who are least capable of paying.

When Ronald Reagan was President, he was known to attract to the Republican side of the equation individuals called Reagan Democrats, hard-working people who wanted to help their families, individuals who worked in trades or worked as laborers, who just worked hard. They worked and they earned less than \$30,000 a year, but they had values. They wanted to take care of their families. They wanted to be able to provide for them. And here is the question: Today is a defining moment for the Republican Party. Is the Republican Party going to say to those kinds of individuals, if you made a choice to smoke at some time in your life and now you are addicted, we are going to tax you so that it is going to be virtually impossible for you to have the kind of standard of living you previously had, and we are going to do this because you have been victimized by the tobacco companies. We are not punishing the tobacco companies. We are going to make them pass the tax on to you. We are going to make sure the statute provides a penalty that you have to be the person who pays the tax.

It is a defining moment for the Republican Party, in my view. I do not want the Republican Party to be defined as more taxes and more spending and more government and less responsibility for individuals and less freedom. It seems to me that there is the potential for us to be defined that way. We are not talking about this \$868 billion tax increase in a vacuum. We have a Republican Senate with this bill in its hands as to whether or not we are going to tax people by an additional amount, and we are talking about this in the context of a surplus.

It is stunning to me to think that instead of debating how we can return resources to the American people, we find that we are focusing on a bill on how to take another \$868 billion from the American people. And it does define the Republican Party. It defines the Republican Senate. I think this is a day which will define us very clearly.

Are we in favor, when faced with a \$39 billion surplus, of taxing people with \$868 billion more in taxes, to fall heavily on those who are least capable of paying for it, or are we in favor of saying no more new taxes; that we do not believe in a big tax-and-spend philosophy; that we are against invasive micromanaging, an intermeddling Federal involvement in everything; that we are in favor of personal freedom, personal responsibility, State and local government potentials, and we reject the idea that in the face of a \$39 billion surplus we have to go and add to the tax bill of the American people another \$868 billion over the course of this legislation.

I think we need to debate how to give people a tax break. We should not be

debating how we are going to tax people hundreds and hundreds and hundreds of billions, three-quarters of a trillion dollars more than we have already taxed them.

People talk about the addictive quality of nicotine. I think tax and spend in the Congress is more addicting than nicotine. I think the clear question the American people are going to ask this Senate, they are going to ask the Republicans in the Senate: Did you break the habit? Did you break the tax-and-spend addiction of Government? Did you come to respect people or to protect the bureaucracy? Did you come to say that we are going to let people continue to have freedom, we are going to ask them to be responsible, we are going to let them have their resources and spend their resources on their families? Or did you come to say the Government is so capable, in Washington, that it is going to sweep these resources out of the pockets of Americans?

We simply cannot have the largest proposed increase in Government since the Clinton national health care plan—17 new boards, agencies, commissions. Here are some of the things that are going to happen: Mr. President, \$350 million a year is going to be taken from these Americans, hard-working, low-income Americans—\$350 million. That averages \$7 million per State; large States, small States. It is going to be swept out of their pockets and gone for what?

Mr. President, \$350 million a year goes to foreign governments overseas so they can conduct studies on what it costs to smoke overseas. I cannot believe the Republican Party wants to be identified with that kind of expropriation. We take the money out of the pockets of Republicans and Democrats—Americans, low-income workers, and we send it overseas so they can conduct studies about smoking.

This bill contains a special provision that relates to smoking in the Native American population. If you figure reasonable rates of smoking for them, it is \$18,000 per Native American that we are going to spend in this program. It does not make sense, to be taking money from low-income Americans in order to do that.

These are just examples of the way this is a lavish bill, of spend and spend and more government and more government. It is only possible if you tax and tax \$868 billion for 178 new Federal Government powers.

It is time for Congress to do what we know to be right, what we know to be true, what we know to be noble; that is, to respect the American people, not protect the Government bureaucracy. The majority leader has called this bill too complicated and too expensive. I call upon the majority leader to lead the American people to the right conclusion by leading the Republican Senate to the right identification with the people against big government rather than with the bureaucracy and against

the people. We should pull this bill off the Senate floor. It is a massive tax-and-spend bill. Perhaps more addictive than nicotine is the urge of Government to tax and spend and regulate. It is time for us to break the habit.

I call upon our leadership to lead, to lead us to do that which is right for the American people. Mr. President, \$868 billion in new taxes are not going to help American families. They are going to distress a number of families to the extent that they lose their independence and their capacity to provide for themselves. If we end up making wards of the State and Federal Government of more low-income families in America, we will have done this Nation a massive disservice. It is time for us to set aside the smokescreen, to identify this bill as tax and spend, and for us to reject it thoroughly.

I call upon our leadership to lead us in that respect.

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

The PRESIDING OFFICER (Mr. SMITH of Oregon). Without objection, it is so ordered.

The PRESIDING OFFICER. Under the previous order, the Senator from Hawaii is recognized to speak for up to 10 minutes.

Mr. AKAKA. Thank you, Mr. President.

(The remarks of Mr. AKAKA pertaining to the introduction of S. 2181 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. AKAKA. Mr. President, I yield back my time.

Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Mr. President, I ask unanimous consent to speak in morning business.

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

THE TOBACCO BILL

Mr. THOMAS. Mr. President, I am hopeful that today we will come to some conclusion and come to an end in the tobacco controversy that has gone on for a very long time now. I think there are several things which seem to have a consensus. One is that we should make effective efforts to reduce teenage smoking. After all, that was the beginning. That was the purpose. That, to me, is still the overriding objective of whatever we do in terms of tobacco.

I think there is a consensus that the tobacco companies should be held accountable for the kinds of advertising that they do, for the things they say. The FDA rules should accomplish that.

I think that most people believe we should enforce the laws against the purchase of cigarettes by teenagers.