EXTENSIONS OF REMARKS

INTERNAL REVENUE CODE SECTION 911—FOREIGN EARNED INCOME EXCLUSION

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 24, 1995

Mr. ARCHER. Mr. Speaker, I am introducing the legislation to significantly increase and index the amount of earned income U.S. taxpayers working overseas may exclude from Federal income taxation.

Currently U.S. taxpayers working overseas may exclude up to $70,000 of earned income annually from Federal income taxation.

As contemplated in the Economic Recovery Act of 1981, the foreign income exclusion originally was scheduled to increase to $95,000. However, due to revenue considerations, the intended increases never became law.

The current $70,000 exclusion is not indexed for inflation and is woefully inadequate. It has the effect of discouraging U.S. taxpayers from working overseas and this puts U.S. companies doing business overseas at a competitive disadvantage as compared to their foreign competitors.

The legislation I am introducing today would immediately increase the foreign earned income exclusion to $100,000 from $70,000 and would index the $100,000 amount to allow it to keep pace with inflation. The increased foreign earned income exclusion will encourage U.S. taxpayers to seek employment with U.S. companies overseas, which in turn will help increase U.S. exports and jobs in the United States.

The legislation benefits all segments of our society and I welcome support of it from Members on both sides of the aisle.

KEY DOCUMENTS PROVE INNOCENCE OF JOSEPH OCCHIPINTI

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 24, 1995

Mr. TRAFICANT. Mr. Speaker, as part of my continuing efforts to bring to light all the facts in the case of former Immigration and Naturalization Service Agent Joseph Occhipinti, I submit into the RECORD a document I received from the Drug Enforcement Administration in response to a Freedom of Information Act request I filed last year for all DEA documents related to any investigation of a company called Seacrest Trading. Through my investigation, I have come to learn that Seacrest Trading may be tied to all of the bodega owners who testified against Mr. Occhipinti in his 1991 civil rights trial. The document is an October 16, 1992, memorandum regarding a meeting of the Drug Enforcement Task Force Group. While the document does not mention Seacrest Trading, the file title at the top of the document reads simply ''Seacrest Trading Corp.''

SEACREST TRADING CORP.

MEETING IN REGARD TO NTOC MONEY TRANSMITTED/WIRING SERVICES

Details

1. On October 5, 1992, at the offices of the New York State Banking Dept., 2, Rector Street, New York, New York, a meeting took place between the members of the Drug Enforcement Task Force/Group I–63, Assistant District Attorneys of the Special Investigation Bureau—Special narcotics Court, and members of the Criminal Investigation Bureau—New York State Banking Dept.

2. The meeting was held in regards to Non-Traditional Organized Crime (NTOC) Money Transmittal/Wiring Services which are mostly operating illegally and which are sending approximately over $500,000,000.00, most of which are believed to be proceeds from drug sales, out of the Washington Heights, New York area to the Dominican Republic. This amount is only representative of the actual documented figures. This is not represented to include illegal amounts that have been sent and not documented.

3. As of the aforementioned date, there are approximately ten (10) licensed money Transmittal/Wiring Services in the Washington Heights area. These particular businesses then sublease their license to agents and then the agents sublease the license to other subagents. In turn, numerous money services have saturated the area and fall under a single license.

4. All the business under a single license can then collect all revenues and restructure the amounts of each transaction to fall under the specified limits of $100,000.00. Each transaction over $10,000.00 has to be documented and reported to the U.S. Government on a Currency Transaction Report (C.T.R).

5. At this time, if is a federal obligation to prosecute violators of CTR infractions, but it is not being enforced by the Federal Banking agencies. If in fact these laws are enforced, only a small fine is imposed as compared to the large amount of profits that are made to justify the criminal risk involved.

6. Special Narcotics Court as actively looking to empanel a Special Grand Jury to propose legislative changes within the New York State laws to regulate and prosecute these illegal Money Transmittal/Wiring Services.

7. California and Arizona have already moved to strengthen their State Banking laws. Their laws have lowered the risk of illegal activity and have forced CIR's to also be filed within the state level. The penalties and forfeitures seized have made the State Agencies self sufficient and excess profits have also returned to the state government to be used as seen fit for other state programs and state and local law enforcement.

8. Special Narcotics would want the state to better screen potential licensees and reduce the number of agents/subagents. This can be done through the issuance of a license to someone who had filed a more detailed application to enhance a better background check; no subagents would be allowed under this license to pinpoint accountability, and larger criminal financial penalties would be imposed to deter criminal activity; and to change the language of the statutes to become applied enforceable under the charge of money laundering of criminal proceeds.

9. At the present, the State Attorney General's office working with the State Police have formed a Crime Proceeds Task Force unit to enforce the weak New York State Banking Con Laws and prosecute these criminal money agencies, but they have been hampered and legislatively fought by certain interest groups and not a single case has been initiated.

10. It was believed by all the agencies present, that by working together evidence can be compiled to introduce new legislation to strengthen state laws. These laws will forcibly prosecute and deter the existing easy ability of these criminal money agencies to send proceeds of criminal activities and launder these amounts to overseas accounts with no fear of law enforcement and our courts.

PERSONAL EXPLANATION

HON. BOBBY L. RUSH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 24, 1995

Mr. RUSH. Mr. Speaker, I was unavoidably detained in my return to Washington from my congressional district on Monday, January 23, 1995. I was therefore not available to vote for rollcall Nos. 25, 26, 27, 28, and 29.

Had I been present I would have voted ''aye'' on No. 25; ''aye'' on No. 26; ''aye'' on No. 27; ''aye'' on No. 28; and ''aye'' on No. 29.

SAVE USTTA!

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 24, 1995

Mr. OBERSTAR. Mr. Speaker, the U.S. Travel and Tourism Administration promotes America as a destination for foreign travelers. Its annual budget is minuscule by Federal standards, but the return on this investment is immense.

In 1993, some 46 million foreign visitors came to the United States. They spent $74.2 billion here, producing a $22.2 billion positive balance of trade in travel and tourism.

Incoming international travel generates 909,000 jobs and a payroll of $14.5 billion—not including jobs generated by the $16.6 billion that foreign visitors spend to travel on U.S. airlines.

This October the first-ever White House Conference on Travel and Tourism will be held under the management of USTTA. Preliminary conferences will be held in all States to develop the national agenda; several State conferences have already been held. The very existence or USTTA is the Federal Government's recognition that travel and tourism is indeed an important sector of our economy.

To terminate this valuable, productive, cost-effective agency would reduce the Federal deficit by a factor of one ten-thousandth—one one-hundredth of 1 percent—point-zero-zero-zero-one. It would not make a dent on the deficit. In fact, it would make hardly a blemish. The benefits of this agency's work vastly outweight its costs.

Mr. Speaker, USTTA has proven its value to America. It should be allowed to continue its good work.

CONGRESSIONAL ACCOUNTABILITY ACT OF 1995

SPEECH OF

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 17, 1995

Ms. ESHOO. Mr. Speaker, I was proud to vote for S. 2, the Congressional Accountability Act.

Although I wholeheartedly support this long overdue legislation, I am disappointed that it did not include language that would prohibit Members of the House from using frequent flier miles accrued on official business for their personal use.

When I first came to the House, I initiated a policy in my office on February 23, 1993, which said that all frequent flyer miles accrued on official business must be used in connection with official travel and not for personal use.

Mr. Speaker, my office, and therefore the taxpayers, have realized significant savings from my travel on accrued frequent flier miles. We should pass legislation in the future that extends this reform to the House of Representatives. Until then, my office will keep this practice in effect.

INTRODUCTION OF LEGISLATIVE PACKAGE TO BOOST SMALL BUSINESS GROWTH, PRODUCTIVITY, AND JOB CREATION

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 24, 1995

Mr. WYDEN. Mr. Speaker, today I am introducing a package of four bills to help small businesses fulfill their potential as the engine of U.S. economic growth and job creation. This package is designed to overcome structural barriers that limit small businesses' ability to raise capital, attract and motivate skilled employees, and export to fast-growing foreign markets.

These are three important challenges that face small businesses today, but too often these companies are victimized by Government indifference. Consequently, literally thousands of promising small companies die each year, not because they lack a good product or skilled management, but simply because they are too small to have the same opportunities for money, workers, and markets that larger companies take for granted.

Mr. Speaker, if the U.S. economy is to continue to grow and create jobs, small business will have to be out front. Statistics clearly show that, despite the barriers they face, small companies are the key to the economy's future. In the 1980's, large companies lost a net 2 million jobs while small companies created a net 20 million. Moreover, in my home State of Oregon, perhaps the most predominantly small business State in the country, 98 percent of the businesses employ fewer than 100 workers, and the State government projects that fully 70 percent of the State's job creation in the 1990's will come from those small firms.

Mr. Speaker, the legislative package I am introducing today will give small businesses a fair chance to grow and prosper. It will not give small companies any special breaks; rather, it will clear away some of the structural impediments that prevent them from competing on an equal footing.

These are the four bills in the package:

1. THE ENTREPRENEURSHIP PROMOTION ACT

At some point in its development, nearly every small business faces a crisis in finding the capital necessary to finance continued growth. Nearly every company gets caught in the awkward position of being too large to be financed internally, but not yet large enough to tap the public capital markets or adequate bank financing. Capital is the lifeblood of every small company, spreading nutrients throughout its operations, and without sufficient capital, an otherwise healthy small company with a great product line will be doomed to wither away.

Companies caught in this position frequently turn for help to so-called angels—venture capitalists willing to invest their own money in companies they think have a real chance to succeed. Today, there is just not enough venture capital money available for these companies. Investing in new firms is risky, and most investors would rather take the more predictable returns of blue-chip stocks or Government securities than take a flyer on a small company. Moreover, in those parks of the country not near a financial center, there is frequently not a sufficient mass of potential investors who know the local companies well enough to risk an investment.

Again, in my home State of Oregon, with its fast-growing software, computer, environmental, biotech, wood products, and other industries, numerous companies that could be global competitors and create thousands of jobs are at risk, simply for want of venture capital funds.

It is imperative, Mr. Speaker, to pump more funds into the venture capital pipeline and to direct more of those funds to the companies that really need them. The Entrepreneurship Promotion Act is designed to do that by creating a tax incentive to get more investors involved—and keep them involved—in starting and growing job-creating small businesses.

This bill would create a tax rollover, similar to the one available to homeowners, to enable an investor who sold his stake in a qualified small business to reinvest the money in another qualified small business and defer paying taxes on the capital gain.

With this bill, investors would have an incentive to keep their money in the productive sector of the economy, rather than simply cashing out their investment. Moreover, the bill would target the incentive at investments in firms with less than $20 million in annual sales—those companies with the fewest financing alternatives and therefore most in need of venture funds.

I am especially grateful to have Mr. MATSUI and Mr. SPRATT join me in sponsoring this initiative today.

2. THE FAMILY SAVINGS AND INVESTORS PROTECTION ACT

A second vital step to increasing the availability of capital to small business is to increase the return on investments and thereby draw more funds into the investment sector.

Currently, investors who hold long-term assets get taxed on both the real gain in value of their investment and on the gain due solely to inflation. When the Government taxes paper profits, not real profits, the added tax burden can be so great that investors can actually end up paying a higher effective tax on capital gains than even the top income tax rate.

The message this backward tax policy sends to investors is, ''don't save, don't invest, just consume.'' That is the opposite of what is needed to nurture a healthy, inflation-free environment in which small businesses can grow and prosper.

The Family Savings and Investors Protection Act would index capital gains prospectively so that investors would pay taxes only on the real gain in their investment and not on the phantom gains due to inflation.

A recent report by the Institute for Policy Innovation calculated that lowering the cost of capital by prospectively indexing capital gains would, by the year 2000, increase capital formation in the United States by $995 billion and create 260,000 jobs. Reflecting the higher economic growth, and resulting tax payments, net Federal revenue would increase by over $40 billion.

Combined with the tax rollover bill, indexing capital gains would provide significant relief to those small businesses that have good products and good management but are starving to death for lack of capital.

Mr. speaker, capital gains tax policy has been caught in fearsome partisan debate for many years but I believe it is time to move beyond old divisions and recognize that indexing capital gains is good for small business, good for investors, and good for the Federal Government.

3. THE EMPLOYEE PARTNERSHIP REWARD ACT

If Americans are going to enjoy long-term economic growth and more well-paying jobs without triggering inflation, it will be vital to raise productivity. Without rising productivity levels, long-term living standards will stagnate and American jobs will be increasingly vulnerable to global competition.

One proven way to increase productivity at a firm is to put in place a performance-based reward plan, in which workers receive direct benefits based on their success in achieving certain measurable goals for the firm.

Those goals can vary depending on the priorities of the firm at a given time. For example, a young company may want to boost sales or market share, a company making major new investments may want to raise productivity, and a more mature company may simply want to increase profits. All of those goals are valid—the crucial issue is that those goals must be communicated clearly to workers and the rewards must be tied directly to the firm's performance relative to those goals.

These types of plans come under many different names—profit sharing, gain sharing, performance pay, and so on—but they all share the key characteristic that employees have a stake in the success of their firms and

that they will share in that success with managers and investors.

The results where such reward plans have been put into place are dramatic. One comprehensive study found that the average productivity improvement in firms that implemented such plans was 7.4 percent—significantly higher than recent economywide productivity growth rates of 1 to 3 percent. Moreover, in Japan, where about 25 percent of a worker's pay is tied to the performance of the company, fully 93 percent of the workers feel they benefit from an increase in the company's productivity, compared to just 9 percent in the United States.

Performance-based reward plans also help make labor costs more flexible. This flexibility encourages firms to create more jobs, because the marginal cost of hiring an additional worker is less. Moreover, layoffs are less likely because when a firm goes through a bad spell and cash is short, its fixed labor costs are lower, as well.

One great example of this benefit is a company called Lincoln Electric, a Cleveland-based manufacturer of welding machines and motors. This company suffered a 40-percent decline in revenues during the 1981–83 recession, yet it laid no one off, and has not done so since the early 1940's. And, in Japan, the unemployment rate has stayed around 3 percent through the recent recession—about half the level in the United States during the recovery.

The Employee Partnership Reward Act would provide firms and workers with tax incentives to implement performance-based reward plans. Firms would be able to deduct 110 percent of their payments to workers under such a plan, while workers would receive a tax credit of $100–$500, depending on how much of their salary came from payments under the plan.

It is entirely appropriate for the Federal Government to encourage such plans through tax incentives because increased productivity and new job creation are good for the whole economy.

Today, the Federal Government offers billions of dollars of tax incentives for deferred pension plans, which help people save for retirement but have been shown to have little effect on productivity or job creation. The United States also offers incentives for investments in machinery—in effect, encouraging firms to replace workers with machines. Last year, such capital investments received $22 billion in tax breaks, while investments in workers got just $2 billion.

Surely, there is room within the budget to reorder priorities so there can be an incentive for firms to implement plans that benefit the whole economy by boosting productivity and creating new jobs.

4. THE SMALL BUSINESS EXPORT ENHANCEMENT ACT

Mr. Speaker, even if a firm succeeds in attracting sufficient capital and boosting productivity, it will in many cases still need to compete in fast-growing foreign markets in order to prosper.

Exports are becoming an increasingly important part of the U.S. economy. Nationally, exports are growing three times as fast as overall economic growth. Over the past 40 years, the rate of job creation in trade-related fields grew three times faster than overall job creation. One in six U.S. manufacturing jobs is now related to exports, and those jobs pay 22 percent more than the average U.S. wage.

The lesson is clear: As the global economy continues to develop, successful exporting will make the difference between a good economy and a great economy.

While the U.S. economy overall has reached world-class exporting status, small businesses in the United States still lag behind. Smaller companies face special challenges in getting into foreign markets, but export assistance generally has not been provided in a way they find useful.

The trade statistics clearly show that small business has not fully shared in the global bounty. According to the Commerce Department, only 10 percent of U.S. firms are regular exporters. A few large firms account for the bulk of U.S. exports, despite the fact that 90 percent of U.S. manufacturers are small- and mid-size firms.

Clearly, small businesses remain a large untapped resource of potential export growth for the U.S. economy. However, small businesses with competitive products frequently face high transactions costs and inadequate information about foreign markets, which limit their ability to export. They need some additional help, but Government is not successfully providing it.

The Federal Government is the major provider of export assistance, spending over $3 billion a year. A quick look at its export assistance program reveals why small businesses are having such a hard time.

There are over 150 Federal export promotion programs fragmented among 19 different Federal agencies. These programs are characterized by duplication of effort, overlap, inefficient dissemination of services and information, turf battles, and confusion among both providers and users of assistance. The Trade Promotion Coordinating Committee concluded that ''for many small- and medium-sized firms, getting through the bureaucracy may be as great a hurdle as foreign market barriers.''

While Federal programs trip over each other and frequently miss their intended targets, many State-based export assistance providers—including State departments of trade, local industry associations, international freight forwarding companies, local and regional banks, chambers of commerce, and world trade centers—have established good local networks that can effectively deliver timely, accurate, and useful assistance to would-be small business exporters.

For example, in Oregon the State department of trade, working closely with the private sector, has set up an admirable model. It is focused on identifying specific, targeted trade leads, doing outreach to companies to inform them of opportunities, and working closely with the companies to help them through the export process. It is a classic example of local leaders who know the local economy working cooperatively to get the most out of the State's export potential. Unfortunately, in Oregon as in other States, those providers of export assistance are woefully short of resources.

The Small Business Export Enhancement Act would redirect millions of dollars from the Federal Government to State-based export providers. For the most part, this money will be used to fund partnership programs, designed to combine the resources of the Federal Government with the local networks of State-based export providers. The bill also directs the trade promotion agencies to offset this new spending by identifying in a report to Congress savings of at least $100 million to be achieved through consolidating or eliminating some of those 150 Federal programs that provide overlapping or duplicative services.

Mr. Speaker, the report of the National Performance Review stressed that the Federal Government needs to reallocate its export assistance resources to sectors that have clearly shown growth potential while it works to make its services more accessible to clients. Clearly, small business is the obvious place to turn to boost U.S. export growth, and the best way to help small business to export is through State-based providers that know the local companies and their particular needs.

If the United States can successfully turn the small business sector into a source of export strength, it can provide a structural economic boost that can put the country on a permanently higher plane of income growth and job creation.

THE HYDROGEN FUTURE ACT OF 1995

HON. ROBERT S. WALKER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 24, 1995

Mr. WALKER. Mr. Speaker, today I am introducing legislation to authorize and fund the hydrogen research, development, and demonstration programs of the Department of Energy.

Hydrogen holds the greatest promise as an environmentally benign renewable energy source. It is readily available from water and when it combusts it leaves no noxious residues, but again only water. What we have is a replacement fuel for our fossil-based economy, because hydrogen can be used in as many ways, and more, as any available fossil fuel now being used without the environmental cost associated with cleanup. Hydrogen will play a major role in the energy mix of the future and it is up to us to see that we begin this integration wisely, economically, and efficiently.

Hydrogen offers the potential for a limitless supply of clean, efficient energy. However, its use faces large technical hurdles, particularly in production and storage, that must be overcome. The Department of Energy's Hydrogen Program has also been plagued in the past by rather erratic funding profiles, which have limited its effectiveness.

The Hydrogen Future Act of 1995 will focus Federal hydrogen research on the basic scientific fundamentals needed to provide the foundation for private sector investment and development of new and better energy sources and enabling technologies without adding to the budget. The bill, while allowing modest increases in the hydrogen authorization, requires corresponding offsets to pay for this research by freezing the overall Department of Energy research and development account.

The Hydrogen Future Act of 1995, will give added direction and funding stability to a most worthwhile energy research and development program.

MAYOR LOUIE VALDEZ

HON. ED PASTOR

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 24, 1995

Mr. PASTOR. Mr. Speaker, I would like to take this opportunity to congratulate Mr. Louie Valdez who was recently elected mayor of Nogales, AZ. At the age of 23, Mr. Valdez has been recognized by the U.S. Conference of Mayors as the youngest mayor of an incorporated city currently holding office in the United States.

Mr. Valdez graduated from Nogales High School in 1989 and later attended Pima Community College in Tucson, AZ. He is currently a senior at the University of Arizona studying political science. In 1992, he was elected to the Nogales School Board and on January 3, 1995 he was sworn in as the 32d mayor of the city of Nogales.

While being the youngest mayor in the United States is certainly an impressive accomplishment, serving as the mayor of Nogales will be even a greater challenge. Nogales, a city with a colorful and proud history, is home to approximately 20,000 citizens. Its uniqueness stems from its location. Nogales shares its border with its sister city in Mexico, Nogales, Sonora: Los Ambos Nogales, as the two cities are often called, share much in common. Families, friends, and cultures crisscross the border and create a truly unique international community. Unfortunately, Nogales, AZ is often impacted by numerous environmental and immigration problems that originate in its sister city.

With his dedication, skills, and abilities, I am confident that Mayor Valdez will succeed in leading Nogales to unparalleled growth and prosperity. I wish him luck in his new undertaking.

MAJ. GEN. JOSEPH F. PERUGINO HONORED

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 24, 1995

Mr. KANJORSKI. Mr. Speaker, on January 28, our community will gather to pay tribute to my good friend, Maj. Gen. Joseph F. Perugino, to acknowledge his many accomplishments—most recently his appointment as commanding general of the 28th Infantry Division (mechanized) of the Pennsylvania Army National Guard.

General Perugino was born in Wilkes-Barre where he attended and graduated from local schools. Joe received his bachelor's degree in business from Cumberland University in Tennesee. His military career began in 1955. He was commissioned a second lieutenant on June 12, 1966, upon his graduation from the Pennsylvania Army National Guard Officer Candidate School. As he rose through the ranks in the National Guard, he successfully completed all of the required courses for artillery staff officers. Joe served as assistant adjutant general of the Pennsylvania National Guard, Fort Indiantown Gap, from August 1988 to 1991; then commanded the 28th Infantry Division Artillery, Hershey, PA. In 1992, Joe was made major general while he was deputy State commander and in 1994, was appointed commanding general of the 28th Infantry Division. Joe's outstanding service has been rewarded with many medals and ribbons, including the Meritorious Service Medal, the Humanitarian Service Medal, the Pennsylvania Distinguished Service Ribbon with four silver stars, and the Pennsylvania 20-year Service Medal with two silver stars.

General Perugino's service to our Nation is well documented. He also deserves recognition for his dedication to our local community. Professionally, Joe serves as vice-president of the Pennsylvania Gas and Water Co., marketing and gas supply division and as president of Pennsylvania Energy Resources, Inc. He serves as a member of the advisory board of Penn State Wilkes-Barre; chairman of the Luzerne County Community College Foundation; trustee of the Wilkes-Barre and Wyoming Valley Veterans Hospital fund. Joe is also a member of the Wilkes-Barre Chamber of Commerce, National Guard Reserve Officers Association and the Association of the United States Army. He served in a leadership capacity for the Family Service Association, Greater Wilkes-Barre Jaycees, Kingston Businessmen's Association, Kingston Lions Club, and Leadership Wilkes-Barre. In 1982, General Perugino was named a Distinguished Pennsylvanian by the William Penn Society.

Mr. Speaker, Joe Perugino has proven himself to be an outstanding leader. It is only fitting that his many achievements and contributions to our country and northeastern Pennsylvania be recognized. I am honored to participate in our community's tribute to him.

PROTECTING OUR NATIONAL SECURITY

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 24, 1995

Mr. MURTHA. Mr. Speaker, on January 10, the Defense Department testified before the House Judiciary Committee on the balanced budget amendment. The Defense Department's testimony should set off alarm bells for anyone who cares about America's Armed Forces.

According to the Defense Department's Comptroller, a balanced budget amendment which all but ends the congressional ability to even modestly increase revenues would force defense spending cuts over the next 7 years of between $220 billion in the best case to $520 billion in the worst case. The $220 billion reduction is projected if entitlements are not exempt from cuts. But if Social Security and Medicare are shielded from reductions, the defense share of necessary spending cuts grows close to the half trillion dollar figure.

To put the magnitude of these cuts into perspective, the GAO tells us we are already $150 billion short over the next 5 years in paying for the severely downsized force structure and modernization plan set in place by President Clinton. What does it mean for America's security if we are to double, treble, or even quadruple the size of this problem? How will we come up with an additional quarter or half trillion dollars in domestic program cuts just to maintain our current force? What if we can't?

Defense Department officials say life under the cuts this version of the balanced budget amendment would mandate would be characterized by a hollow, demoralized force which cannot be modernized and which quickly loses its technological edge. It would mean further base closings, further personnel cuts, and further hardships on our remaining troops. It would certainly change our ability to project force globally and would leave a potentially dangerous vacuum around the world.

Everyone agrees we must move toward a balanced budget and proceed with deficit reduction. We can and we must do this through careful thought-out proposals that are fully debated in Congress. But to force further draconian cuts on our Armed Forces through an inflexible balanced budget amendment risks our troops' ability to defend our Nation, risks our standing in global affairs, and risks the entire defense structure of the United States.

During my 20 years in Congress I've consistently worked with Members on both sides of the aisle to make sure we didn't have a hollow force.

My advice now is to slow down and think carefully about what the balanced budget amendment will do to our national security.

At the very least, the impact of a balanced budget amendment on the Armed Forces should receive full hearings in the House National Security Committee and House Budget Committee. But if we vote before these hearings take place, I hope every Member of the House will carefully consider how the implementation of a balanced budget amendment would affect our Armed Forces and the most important duty we have as Members of Congress—protecting the national security of the United States.

KEY DOCUMENTS PROVE INNOCENCE OF JOSEPH OCCHIPINTI

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 24, 1995

Mr. TRAFICANT. Mr. Speaker, as part of my continuing efforts to bring to light all the facts in the case of former Immigration and Naturalization Service Agent Joseph Occhipinti, I submit into the RECORD a document I received from the Drug Enforcement Administration in response to a Freedom of Information Act request I filed last year for all DEA documents related to the Occhipinti case. The document is a memorandum written by a DEA special agent on April 16, 1991.

On April 5, 1991 Special Agent [deleted] met with Investigators [deleted] in the Southern District of New York at the request of [deleted]. The 12 p.m. meeting was arranged in order for [deleted] to meet with the two Assistant U.S. Attorneys and above investigators handling the impending trial after indictment of Immigration and Naturalization Service Special Agent Joseph Occhipinti. He was charged with various counts of violating civil rights through illegal searches and theft of money found during certain searches.

[Deleted] arrived for the interview and met with [deleted] who was alone in the eighth floor office. He explained that [deleted] and the two assistants were involved in other business at that time. [Deleted] obtained a copy of the twenty five page indictment and

briefly read through it as [deleted] asked [deleted] about a company by the name of Sea Crest, a firm that was under investigation by D.E.A. and the Manhattan District Attorney's Office in a joint investigation of Capital National Bank (C1–90–0101). [Deleted] explained the role of Sea Crest in suspected skylocking, extortion, and drug smuggling in the Bronx and Washington Heights area. The scheme involved numerous ''bodegas'' in the aforementioned areas and [deleted] explained how this led to his meeting S/A Occhipinti. Occhipinti had started a project called ''Operation Bodega'', involving the use of bodegas in the illegal immigration of various Hispanics and their employment by such stores which are also ''fronts'' for illegal gambling money laundering, food stamp violations and drug dealing.

[Deleted] stated that Occhipinti had been indicted on several searches which he allegedly had performed without the consent of the store owners but had reported them to INS as consent searches [deleted] advised [deleted] that [deleted] had briefly explained the background over the phone.

[Deleted] had stated that Occhipinti was in charge of a group of ''young kids'' and that they had very little experience in such searches. [Deleted] further stated that some ''green assistants'' handling the cases had raised doubts about the validity of the searches. He said the cases were then referred to the Department of Justice O.I.G. The O.I.G. found no evidence of wrongdoing and returned the cases to the Southern District of New York. The ''Southern District'' felt that the O.I.G. investigation was inadequate because they had done ''desk investigations'' rather than ''field interviews''. [Deleted] said they then broke down the cases into three groups. Cases involving arrests of those with criminal records were put aside. Cases where no arrest was made but a criminal record was found were put aside. Only cases where no arrest occurred and no criminal record appeared were selected for interviews. These people were ''assumed'' to be ''legitimate'' bodega owners. [Deleted] stated that it could also be assumed that these individuals were possibly smart enough not to have born caught in the past. This conversation occurred on April 4, 1991 over the telephone with [deleted].

As the interview with [deleted] continued [deleted] referred [deleted] to the indictment. Count Six alleges that on or about January 17, 1990, Occhipinti conducted a warrantless non consensual search of a grocery store at 2262 Jerome Avenue and another count charges an illegal search of the residence of the grocery manager [deleted] advised [deleted] that [deleted] and I.R.S. [deleted] were present at the grocery store and also accompanied the manager and Occhipinti to the manager's apartment to obtain his passport. [Deleted] noted [deleted] surprise on learning that [deleted] were present [deleted] said he didn't know these facts, as he was under the impression that another INS agent had gone to the apartment. [Deleted] stated that the manager [deleted] had voluntarily gone to the apartment and invited the agents to accompany him in [deleted] own vehicle. [Deleted] further stated that no search had been performed by Occhipinti at the apartment.

Shortly after this exchange [deleted] entered the office and the interview continued following a summation by [deleted] of the conversation up to that point.

[Deleted] reiterated that the January 17th search had not occurred and that due to the fact that Occhipinti did not know [deleted] that well, it would be bizarre to believe that Occhipinti would perform an illegal search in their presence. [Deleted] expressed amazement that a charge was brought against Occhipinti on the strength of an unsubstantiated allegation without an attempt to verify the truth. [Deleted] stated that allegations were made by several bodega owners in the Washington Heights are [deleted] stated that the bodegan in Washington Heights are very often fronts for gambling and other criminal activity such as drug trafficking and money laundering. [Deleted] stated that when one sees a huge Pathmark Supermarket in the neighborhood and three bodegas directly across the street, one can assume that they are not just selling groceries. [Deleted] stated that it was indeed possible. [Deleted] stated that gambling was a common occurrence in Washington Heights and that [deleted] should not make a blanket statement about the entire neighborhood. When [deleted] asked [deleted] why he had not interviewed law enforcement personnel prior to the indictment [deleted] replied that they did not want to come up against ''the blue wall of silence'' that occurs where a ''cop'' is being investigated. [Deleted] replied that [deleted] was now blanketing the law enforcement profession in the same way he accused [deleted] of doing to Washington Heights.

Following this exchange it was revealed by [deleted] that they had interviewed all of the complainants in regard to their relationship with Sea Crest [deleted] expressed shock and dismay that they had seen fit to compromise an official investigation in the Southern District without any consultation with the agencies conducting the investigation [deleted] further stated that Occhipinti had apparently caused much uneasiness on the part of certain interests in Washington Heights and perhaps there was pressure exerted to eliminate the threat. [Deleted] stated that both he and [deleted] expressed their opposition to personally conducting an investigation of Occhipinti due to the fact that they both knew him previously but that they were overruled and ordered to conduct the probe.

[Deleted] asked if [deleted] had given an itemized list of suspect bodegas to Occhipinti [deleted] said no, that the Capital Bank case involved obtaining a list of Currency Transaction Reports from the bank and these contained numerous forms showing cash transactions in excess of $10,000 by several bodegas. Certain targets may have resulted from referrals of such listed businesses to the Manhattan D.A.'s detectives also involved in the case. [Deleted] one of the detectives had stated that [deleted] implicated [deleted] in cocaine trafficking. [Deleted] further stated that if the rest of the indictment was based on the kind of reliability attributed to [deleted] a grave injustice was being done by indicting Occhipinti. Incredibly, at this point [deleted] stated that ''he can be unindicted too.'' [Deleted] said he had not realized in twenty years of dealing with the law that such a phenomenon existed. [Deleted] then asked if [deleted] would check D.E.A. files for records on the businesses listed as complainants in the indictment. [Deleted] was also asked if [deleted] could be reached at [deleted] office [deleted] replied in the affirmative and the interview was terminated.

It should be noted that although [deleted] was briefly introduced to one of the two Assistant U.S. Attorneys assigned to the case neither he nor the other A.U.S.A. took any part in the interview. [Deleted] was also informed that [deleted] was not a target of the investigation.

THE RECONFIRMATION OF FEDERAL JUDGES

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 24, 1995

Mr. FIELDS of Texas. Mr. Speaker, today I am introducing a proposed amendment to the Constitution requiring that Federal judges be reconfirmed by the U.S. Senate every 10 years.

Presently, Mr. Speaker, Federal judges serve life terms once they are appointed. The only constitutional mechanism for removal of these judges is impeachment. As we all know, impeachment is a long and arduous process. Historically it has been exercised on only 10 occasions, resulting in actual removal from office of only 5 judges.

In the absence of any other effective formal procedure for removal, Federal judges have been elevated to a stature unprecedented and unequaled by any other Federal official. Consequently, and to the citizenry's misfortune, there is no procedure for the removal of a judge who may be dysfunctional, dishonest or in any other way unfit to fulfill his or her constitutional responsibilities.

According to article III of the Constitution, Supreme and lower court judges are appointed to office for a term of good behavior. I certainly recognize and compliment the wisdom of the Framers of the Constitution who, by separating judicial officials from the political process, preserved and defined the principle of separate, but equal, branches of Government.

However, I continue to believe that this separation has resulted not in a more effective judicial system, but rather in a greater disparity between the various branches of Government. The life tenure of these judges has them less, not more, accountable for their actions and decisions.

Moreover, the increasing use by these judges of their judicial power as a means of effecting social policy is troubling. Our judicial system was established to interpret the law, not to formulate national policy. However, within the past 15 years, many of our Federal judges have taken to ''backdoor legislating'' on such controversial issues as school prayer, busing, and abortion. In my own State of Texas such ''backdoor legislating'' has occurred on such issues as prison overcrowding and the provision of educational services to illegal aliens.

I sincerely believe that neither this legislative body nor the American citizenry can stand by and watch this transgression of constitutional authority. National policy decisions should not be promulgated by our courts, but rather should be duly deliberated and decided by the people's elected representatives in Congress.

Mr. Speaker, I urge expeditious consideration of this legislation so that our Nation can once again be assured of three separate, but equal, branches of Government.

INTRODUCTION OF THE TRIPLOID GRASS CARP CERTIFICATION PROGRAM

HON. BLANCHE L. LINCOLN

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 24, 1995

Mrs. LINCOLN. Mr. Speaker, I rise today to introduce legislation that epitomizes the partnership between the Federal Government and private industry that we all strive so hard to achieve.

For the past several years the Fish and Wildlife Service has conducted a certification program for the triploid grass carp. This beneficial fish is utilized by 29 States to help control aquatic vegetation in lakes, ponds, and streams. The triploid grass carp provides an effective, economical method of caring for these environments without the use of chemical agents.

As the use of the fish has increased over the years, a number of States have adopted regulations which require the grass carp to be certified as sterile. If a reproducing carp were introduced into these environments it could cause serious damage to the existing fish species. The certification process assured States that the fish were sterile, thereby allowing their shipment by private aquaculturists.

In the past year the Fish and Wildlife Service conducted 550 triploid grass carp inspections at no charge to the producer. The cost of the program was $70,000. However, this year because of the dire fiscal situation that faces many agencies, the Fish and Wildlife Service has indicated that it will suspend the program within the next 60 days unless a solution is reached. The producers who have utilized this program have agreed to pay a fee that would cover the entire cost of the program with the understanding that the funds would be utilized for this purpose only. The Fish and Wildlife supports this arrangement but lacks the authority to implement it without congressional authorization.

This bill will accomplish that goal and provide for the continuation of a valuable program. I urge my colleagues to support this legislation.

THE CAPITAL FORMATION AND JOBS CREATION ACT OF 1995

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 24, 1995

Mr. ARCHER. Mr. Speaker, I am introducing the Capital Formation and Jobs Creation Act of 1995. I am proud that its provisions have been incorporated into the Contract With America. Speedy enactment of this bill will encourage investment in America, create jobs, reduce the cost of capital, and lead to greater short-term and long-term economic growth.

Compared to our major trading partners, Americans invest and save far too little. The Tax Code's poor treatment of savings and investment is a large reason why. We can best help American workers and businesses compete in the international marketplace by sweeping away these counterproductive tax disincentives. My bill does just that.

It contains three important capital gains incentives: First, a 50-percent capital gains deduction, second, indexation of the basis of capital assets to eliminate purely inflationary gains, and third, a provision to treat the loss on the sale of a home as a capital loss. The 50-percent capital gains deduction and the home sale capital loss provision would apply to sales on or after January 1, 1995. The capital gains indexation would apply to inflation, and sales of capital assets, occurring after December 31, 1994. All three of these provisions would make the Tax Code fairer by removing anti-taxpayer, anti-investment provisions.

The bill would substantially cut—at all income levels—the tax rate on capital gains by allowing taxpayers to deduct one-half of the amount of their net capital gains. Currently, capital gains are taxed at the same rate as ordinary income, subject to a tax rate cap of 28 percent. Thus, there is a modest capital gains differential for the upper tax rate brackets, but principally because the 1993 Clinton tax plan raised income tax rates. All taxpayers need a capital gains break, and not just one created by raising income tax rates. Unlike the 1993 Clinton tax plan, the bill would provide a middle-class tax cut by halving the capital gains tax rate for lower- and middle-income taxpayers. The new effective capital gains tax rates would be 7.5 percent, 14 percent, 15.5 percent, 18 percent, and 19.8 percent for individuals. Corporations would be subject to an effective top capital gains tax rate of 17.5 percent.

In addition, my bill would end the current practice of taxing individuals and corporations on gains due to inflation. Currently, taxpayers must pay capital gains taxes on the difference between an asset's sales price and its basis—the asset's original purchase price, adjusted for depreciation and other items—even though much if not all of that increase in value may be due to inflation. The bill would increase the basis of capital assets to account for inflation occurring after 1994. Taxpayers would be taxed only on the real—not inflationary—gain.

Finally, the bill would correct a wrong in the Tax Code by treating the loss on the sale of a principal residence as a capital loss. Currently, if a homeowner has to sell his or her home at a loss, that loss is not deductible—even though future sales may be taxable. This is heads-the-government-wins tails-the-taxpayer-loses. By treating the loss on the sale of a principal residence as a capital loss, the loss would be deductible subject to the capital loss deduction and carryover rules.

In the last election, the voters spoke clearly. They want less government and lower taxes. The Capital Formation and Jobs Creation Act of 1995 does both: it cuts taxes and shifts investment decisions from the Government to individuals and businesses. My bill sends a clear and unmistakable message that Congress is determined to dismantle barriers that are holding back the American economy.

HONORING THE NEIGHBORHOOD HOUSING SERVICES OF BALTIMORE ON ITS 21ST BIRTHDAY

HON. BENJAMIN L. CARDIN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 24, 1995

Mr. CARDIN. Mr. Speaker, I rise today to honor the Neighborhood Housing Services of Baltimore on its 21st birthday. This outstanding organization is dedicated on helping low- and moderate-income residents of Baltimore become first-time homeowners. I also want to take this opportunity to extend my best wishes to John R. McGinn, an inspirational leader who is retiring as NHS chairman.

The NHS has an impressive record. It has been involved in rehabilitating more than 620 vacant houses and has helped convert more than 900 renters into first-time home buyers. Since 1974, NHS has been an important force in providing adequate housing in the neighborhoods of Govans, Coppin Heights, Patterson Park, and Irvington/St. Joseph/Carroll. In addition, since 1993 NHS has instituted the Closing Cost Loan Program to provide from $500 to $5,000 in loans to help prospective home buyers with settlement and closing costs. They have successfully used $300,000 of NHS capital to leverage more than $4 million in conventional financing.

Much of this could not be accomplished without the help and advise of John McGinn, who has been a dedicated and inspired chairman of the NHS board for the past 3 years. In the past decade, in addition to being chairman, John McGinn has given many hours of this time serving on different NHS boards. His advice and professionalism has been a big part of NHS's success and its branching out into new projects.

I hope that my colleagues will also join my fellow Baltimoreans and me in congratulating NHS and John McGinn on a job well done. Our housing crisis is very serious, but the efforts of NHS and John McGinn have done much to help others realize their dream of home ownership.

H.R. 5, UNFUNDED MANDATES REFORM ACT OF 1995

HON. BOBBY L. RUSH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 24, 1995

Mr. RUSH. Mr. Speaker, today we continue to debate H.R. 5, the Unfunded Mandates Reform Act. This measure comes at a time that is critical for State and local governments, which have been struggling over the past several years to balance their budgets while coping with ever-increasing costs. As a result, State and local governments have requested that we in the Congress establish a process to reexamine the fiscal implications of requirements that may be imposed on them by Federal initiatives.

In my district, the mayors of several suburban municipalities have strongly urged me to consider the impact that Federal laws may have on the financial stability of their governments. That is why I was a cosponsor of a bill introduced by my colleague, Mr. CONYERS, in

the 103d Congress, H.R. 5128, which received broad, bipartisan support.

Mr. Speaker, this legislation today seeks to answer some of these apprehensions. I would, however, point out how deeply concerned I am about the haste in which this legislation was brought to the House floor. While I recognize the importance of what we are to do today, I am very troubled that certain important issues were not fully considered in committee. In their rush to pass their so-called Contract With America, the Republican majority has run roughshod over the democratic, deliberative process which we have been sworn to uphold. My Democratic colleagues in the Government Operations Committee, which I proudly served on last Congress, can attest to the outlandish manner in which this bill was handled in markup. This calculated attempt by my friends on the other side of the aisle to stifle thoughtful debate cannot and will not be ignored.

It was my hope that we in the House would debate the unfunded mandates issue in the normal manner in which legislation of this importance is considered. This debate today, however, is a culmination of a Republican-dominated legislative process that makes a mockery of this noble institution. Despite the modified open rule under which this bill is being considered, it is my understanding that my good friend, Chairman CLINGER, is opposed to any amendments other than those that are clerical and technical in nature. This is in order to pass a bill quickly to the other body. This is most unfortunate; I was looking forward to supporting and passing amendments that would protect our health, labor, and safety laws; that would protect the Clean Air and Clean Water Acts; and that would ensure the protection and strength of our social contracts with the elderly and the needy in this country. This will not happen today if the Republican majority has their way.

These and other critical concerns will not be addressed in this legislation because the majority party wishes to ram this into law just to say to their supporters that they can get things done in Washington. Well, Mr. Speaker, while I advocate the general intent of this legislation, I cannot support the manner in which the Republican majority has brought this bill to the floor. Therefore, Mr. Speaker, I urge my colleagues to stop our Republican friends from handcuffing our democratic institution, and I urge all my fellow Democrats to stop this Contract With America from undermining the democratic and deliberative principles that this institution has functioned under for the past 200 years.

BRINGING BACK THE DEDUCTION FOR LEGITIMATE BUSINESS EXPENSES

HON. BARBARA F. VUCANOVICH

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 24, 1995

Mrs. VUCANOVICH. Mr. Speaker, today I am introducing legislation to restore the business meal tax deduction to 100 percent. In 1993, as part of the President's economic plan, Congress passed legislation reducing the tax deduction for business meals and entertainment from 80 percent to 50 percent. I didn't see the wisdom of that $16.3 billion tax increase then, and I don't see it now.

Anyone who has owned a business or been involved in management can testify to the legitimacy of using meals and entertainment as a marketing tool. Yet we single out this particular business expense, penalizing the restaurant industry, the tourism and entertainment trades and the foodservice industry, to name only a few. When this deduction was reduced from 100 to 80 percent in the Tax Reform Act of 1986, it greatly impacted these industries—industries which are crucial to Nevada. Now, because of the reduction from 80 to 50 percent, it is estimated that almost three-quarters of mid-sized companies in America have made policy changes resulting in reductions in meal and entertainment expenses.

I can tell you from conversations I've had back home that many of Nevada's businesses rely heavily on the business meal and entertainment deduction as a marketing tool to solicit clients. Moreover, restoring the deduction is essential to the tourism trade—which employs almost a third of the State's labor force—in my home State of Nevada. Restoring the business meal deduction will increase restaurant patronage and convention business and help fill hotels and motels not only in Nevada, but across the country. I'm sure it would have a similar effect across the Nation, and I urge my colleagues to support my efforts to restore the 100 percent deductibility of business meal and entertainment expenses.

A TRIBUTE TO HIS MAJESTY KING BHUMIBOL ADULYADEJ (KING RAMA IX) OF THAILAND

HON. DANA ROHRABACHER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 24, 1995

Mr. ROHRABACHER. Mr. Speaker, I rise today to acknowledge King Rama IX of Thailand on the occasion of the Royal Golden Jubilee celebration which commences this month and continues through 1997. His Majesty will enter his 50th year of reign on June 9th.

His Majesty has been an extremely positive influence on his people and continues to be a constructive force in Southeast Asia and the world. His Majesty's influence can be discerned in his numerous projects, his lifelong interest in public health, his efforts to bring peaceful solutions in times of conflict, and his generosity in helping refugees in neighboring countries, especially the Karenni of Burma. His contributions have made King Bhumibol the prime source of inspiration, pride and joy among the Thai people.

TERRORIST EXCLUSION ACT, H.R. 650

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 24, 1995

Mr. GILMAN. Mr. Speaker, I am pleased today to reintroduce a bill I originally cosponsored and helped author in the 103d Congress under the leadership and efforts of our former colleague now in the other body, Ms. SNOWE. That bill, H.R. 2730, excluded from the United States any individual on the basis of mere membership in a terrorist organization, as such a group is defined by the Attorney General in consultation with the Secretary of State.

The bill I am reintroducing today, H.R. 650, is identical to H.R. 2730 from the last session of Congress. It will end the ridiculous situation we now have where we often have our State Department officials wringing their hands and spending countless hours trying to determine the nature of the visa applicant's membership and level of activity within a terrorist organization or group.

Similar provisions as were in H.R. 2730 passed the other body under the leadership of Senator HANK BROWN during the 103d Congress. However, unfortunately, they did not become law; nor did the House get an opportunity to act to close this glaring loophole in the immigration laws and the State Department's interpretation of those laws today.

Today we often see time-consuming State Department analysis made to determine whether to deny a visa to an individual who is a mere member of a terrorist group, but hasn't yet been convicted of an act of terrorism in an appropriate court of law and with some consular officer's view of appropriate due process.

Under our State Department's view of current law, mere membership alone doesn't automatically create a presumptive basis for denial of a visa, therefor the protracted analysis and soul searching I mentioned, often follows.

The bill I introduce today shifts the burden of proof and makes the denial of the visa presumptive based upon mere membership by the visa applicant in a terrorist organization alone, as defined by the Attorney General and the Secretary of State based upon available. data.

The visa applicant, not the State Department consular officer, must make the case for his or her right to travel to the United States.

The Secretary of State in a recent JFK School of Government speech said that the State Department was going to get tough on international terrorism and international criminals. In fact, as part of the administration's plan of action, the Secretary said "* * * we will toughen standards for obtaining visas for international criminals to gain entry to this country."

Surely, to the average American, those who are members of overseas terrorist groups, as such groups are determined by the Attorney General and the Secretary of State under by bill, would clearly fit the category of international criminals.

International criminals, whether yet formally convicted or not of terrorism, or who we may or may not know want to travel to the United States to engage in possible terrorist acts ought not get U.S. entry visas. It is as simple as that, and my bill will bring that about.

The public would demand our State Department exercise the visa issuance discretionary function and authority in the best interests of the United States, and denial should be in order in such membership cases, one would hope. The benefit of the doubt should go to the U.S. interests. However, let us not rely on hope or ambiguity; my bill gives the State Department clear authority, the ability, and the direction to deny visas in the case of mere

membership in these overseas terrorist organizations, as determined by the Attorney General along with the Secretary of State.

The administration, which has wisely stepped up the activity and rhetoric against terrorism, should also ensure that the rhetoric it uses on international crime, terrorism, and efforts to protect U.S. interests, fully matches their actions. My bill, which I introduce today, gives them a chance to support additional and needed real reform to thwart a growing and dangerous new terrorist threat aimed at America's interests and security, here at home.

I ask that the full text of the bill be printed here at this point in the RECORD.

H.R. 650

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

SECTION 1. MEMBERSHIP IN A TERRORIST ORGANIZATION AS A BASIS FOR EXCLUSION FROM THE UNITED STATES UNDER THE IMMIGRATION AND NATIONALITY ACT.

Section 212(a)(3)(B) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(3)(B)) is amended—

(1) in clause (i)(II) by inserting ''or'' at the end;

(2) by adding after clause (i)(II) the following:

''(III) is a member of an organization that engages in, or has engaged in, terrorist activity or who actively supports or advocates terrorist activity,''; and

(3) by adding after clause (iii) the following:

''(iv) TERRORIST ORGANIZATION DEFINED.—As used in this Act, the term 'terrorist organization' means an organization which commits terrorist activity as determined by the Attorney General, in consultation with the Secretary of State.''.

ANDREÁ MARION: A LIFETIME OF INNOVATION AND INTEGRITY

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 24, 1995

Mr. LANTOS. Mr. Speaker, I rise to bring recognition to an extraordinary man on the occasion of his retirement as the president of Applied Biosystems, Inc., in Foster City, CA. Mr. André F. Marion has been a pioneer in the emerging and important field of biotechnology and a pioneer in employee and customer relations. As Mr. Marion moves on to the next stage in his life, his intelligence and creativity will be sorely missed.

Mr. Marion, with a handful of associates, essentially began the biotechnology industry. In 1991 he left the research and development staff of the Hewlett Packard Co. to build the first DNA sequencer that began the biotechnology revolution. But even the tremendous financial and business success of his company is not Mr. Marion's true legacy.

During his 12 years as president, chief executive officer, and chairman of the board of Applied Biosystems, Inc., Mr. Marion ran his company with what he himself called ''Values for Success,'' which included absolute attachment to integrity, consideration of the customer, and the highest achievable level of quality. He shared with his employees equally in the profits, stock options, and even the physical setting of the company's campus.

André Marion is a model for all entrepreneurs, executives, and those involved in business and government to follow. I commend him in the strongest possible terms and wish him a long and happy retirement.

COMPEER, INC. COMPEER FRIENDSHIP WEEK

HON. LOUISE McINTOSH SLAUGHTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 24, 1995

Mrs. SLAUGHTER. Mr. Speaker, this year 117 Compeer programs across the Nation will celebrate Compeer Friendship Week from April 23 to April 29, 1995. The goal of Compeer Friendship Week is to provide an opportunity for each Compeer program to increase its name recognition, gain community support and recruit volunteers. Compeer programs will be hosting many special events during this week.

The Compeer Program, which originated in my home district of Rochester, NY, is now in its 22nd year of existence in Rochester, and its 12th year nationwide. Begun as an adopt-a-patient program at the Rochester Psychiatric Center in 1973, Compeer matches caring, sensitive and trained volunteers to those who are isolated, lonely or persons who, because of a mental illness, experience difficulty in coping. Compeer is based on the concept that, through the sharing of friendship, volunteers can offset the sometimes systematized isolation and loneliness of those diagnosed with mental illnesses, and relieve families of their continuous focus on care.

In the past, persons with a mental illness have been discharged into communities where, in theory, they would lead richer, more productive lives than they would in institutions. The reality proves otherwise. People who suffer from illness, who are living both in and out of hospitals, suffer from isolation and loneliness. The majority lack a support system of either friends or family.

Compeer has helped to change this. A unique partnership between volunteer, client, therapist and Compeer staff has enabled hundreds to become fully integrated into society as mentally and emotionally healthy individuals. In an era of health care cost containment, decreased funding for mental illness, skyrocketing costs of psychiatric hospitalizations, and deteriorating traditional support systems, Compeer addressed a national problem by providing cost-effective utilization of volunteers as an adjunct to therapy. Compeer has made a tremendous difference in our country—fostering and nurturing new friendships, filling the gaps of loneliness, and building bridges of understanding and hope.

I ask my colleagues to join me in celebrating Compeer Friendship Week from April 23 to April 29, 1995, and in congratulating the volunteers, clients, therapists, and staff of Compeer for their selfless and tireless efforts.

SSI REFORM

HON. BLANCHE L. LINCOLN

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 24, 1995

Mr. LINCOLN. Mr. Speaker, I rise today to begin a series of discussions over the direction of a program that began with the noblest of intentions, but is rapidly turning into a mockery of the Government's ability to help its citizens. I am speaking of the Supplemental Security Income program for children.

The SSI program was created as a part of the Social Security Amendments of 1972 in order to assist aged, blind, and disabled individuals with supplemental cash assistance. At the time that the law was being written, there was debate over whether or not to include children. The House believed that children should qualify and wrote that, ''. . . disabled children . . . are deserving of special assistance in order to help them become self-supporting members of our society.'' The other body disagreed, arguing that the needs of disabled children were no greater than the needs of non-disabled childern—with the exception of health care costs, which were covered under the Medicaid program. Ultimately the House prevailed and disabled children were included.

Mr. Speaker, that was over 23 years ago. After the program was established, 71,000 blind and disabled children received SSI. Today over 700,000 children receive SSI and the question over whether or not they should be eligible is still unresolved.

When the program was implemented both adults and children were eligible after the Social Security Administration compared their disability against a ''Medical Listing of Impairments.'' Adults who did not qualify under the medical listings were entitled to another test called the residual functional capacity test which measured their ability to engage in ''substantial gainful activity''—or work. Because most children did not work, they were not given the option of a second test and were simply denied benefits if they did not meet the medical listings.

For 16 years the process worked in this manner until February of 1990 when the Supreme Court ruled in favor of a plaintiff, a child who had been denied benefits because he did not meet the medical listings. That decision in Sullivan versus Zebley proved to be a watershed moment in the history of SSI for children.

As a result of the Zebley decision, the Social Security Administration was ordered to develop a process that would allow a child to have a separate test administered in the case that they did not meet the medical listings. Experts were called in and meetings were held for months on end. And when the meetings were over, the SSA had created a process known as the Individualized Functional Assessment or IFA.

Because children could not be judged on an ability to work, the IFA was intended to cover specific age-appropriate activities and developmental milestones. Five different so-called developmental domains were established to determine disability which included motor functioning, communicative skills, cognition, socialization, and behavior.

Mr. Speaker, let me say at this point that I agree with the Zebley decision—because I believe that in the context of the original statute,

the Supreme Court acted appropriately. My concerns therefore center around the wisdom of that original statute.

I came to this issue because numerous constituents of mine, including doctors, teachers and parents came to me with allegations of ''coaching''—which is the term applied when parent encourages a child to misbehave or perform poorly in class in order to receive SSI benefits. As a result of these concerns I asked the GAO to investigate these allegations as well as the overall soundness of the program.

It is exactly the soundness of the program that has prompted me to become interested in this issue. Individuals that qualify for SSI receive a minimum cash payment of $434—higher in some States. In the case of children there are no requirements that the money be spent to improve the quality of life for the child. It's a strict cash payment—no strings attached, and to an extent, no questions asked.

But I have questions. I question the good that this program can deliver through cash payments. I wonder whether medical and therapeutic services might be a more appropriate and beneficial means of addressing the needs of a disabled child. And I doubt the ability of the IFA—which is at least largely subjective—to best determine who is truly needy.

Mr. Speaker over the next 2 nights I will continue this dialogue and explain in detail the problems that I have discovered over the past few months that I have been involved in this program. I look forward to the coming debate and yield back the balance of my time.