

tax the depletion of it. The federal government should be moving toward elimination of payroll and income taxes and toward taxation of the use of finite natural resources and the pollution that results. Instead of using taxes simply to raise revenues, the government could raise revenue in a way that helps reduce the need for both government and taxes.

This idea of resource-based taxation is quite different from President Clinton's BTU tax proposal in 1993 that was mainly a new tax on top of the existing income tax structure. By contrast, we're talking about replacing the income and payroll taxes on the middle class with taxes on the use of finite resources such as oil and coal, on pollution and on virgin materials that end up in the trash. The federal income tax would be restored to what it was in the early 20th century—a kind of excise tax on only the very richest Americans (a historical fact that the Democratic party seems to have collectively forgotten).

Such a tax shift would provide a big boost for jobs and for America's ability to compete in the world.

First, eliminating income or payroll taxes for most of the middle class would cut the cost of labor in America without reducing wages. The real "job killer" of the current tax system is not the tax on capital gains, as Republicans claim. Much more debilitating for employment in America is the payroll tax, which slaps a big penalty on small businesses for the heinous act of hiring a worker. Resource-based taxes provide a practical way to reduce that penalty.

Second, a shift to resource taxes would push our whole economy toward more efficiency. A few pioneering companies have already shown the economic gains that are waiting to be tapped, as Joseph J. Romm demonstrates in his book "Lean and Clean Management." Boeing, for example, installed efficient new lighting that has cut electricity use for that purpose by 90 percent. West Bend Mutual Insurance, in West Bend, Wis., cut total energy use almost in half with a new office building designed to conserve resources.

Since conservation technologies and practices employ many more people than does the use of virgin resources, more jobs would result. Many of those new jobs would be in recycling, which would boom because virgin materials would no longer have the subsidies they enjoy under current tax laws. This, in turn, could help bring manufacturing jobs back to the inner cities, which could become the new supply depot of recycled raw materials, the equivalent of the mouth of the mines, that companies seek to be near.

Third, resource-based taxes would help solve our environmental problems by reducing the need for cumbersome, top-down regulation. Boeing's manager of conservation, Lawrence Friedman, has noted that if every company in America adopted the lighting efficiencies that Boeing did, "it would reduce air pollution as much as if one-third of the cars on the road today never left the garage." In other words, a resource tax system would make tax avoidance both legal and socially desirable. As individuals and corporations sought to cut their tax bills, the environment would become cleaner and the economy more efficient—and regulators less necessary.

This is not a pipe dream. We have completed the first draft of a resource tax proposal for the state of California, and found that the state could abolish virtually all existing state and local taxes, and raise the same amount of revenue from resource use and pollution instead. A shift of that scale is not feasible at the federal level. However, a reasonable tax on resource use and pollu-

tion—which would keep the price of gasoline within the levels paid by Europeans and Japanese—would make it possible to eliminate the federal income tax entirely for families making up to \$75,000 a year, and for individuals earning up to \$40,000. Part or all of that money could be used to abolish payroll taxes at the lower wage levels, and to buffer low-income Americans from the impact of the tax.

So why not? Some will warn that the United States would lose competitive position, but the opposite is more likely. With incentives to become lean and efficient in the use of resources, American companies would actually gain a competitive edge. Convinced of this, major international corporations in Sweden, such, including IKEA and Electrolux, are supporting a move toward resource taxes there, and the European Community is moving in this direction as well. Moreover, Prof. Lawrence Goulder of Stanford has shown how a resource tax could be levied on the energy content of key imports, keeping the playing field level for American producers paying such taxes.

Another objection will be raised by technological utopians, who say there's no such thing as "finite" natural resources, because the infinite ingenuity of people will always find substitutes for any resources that run out. If that's true, then resource-based taxation would buy more time for such new technologies to arise; it would also create price incentives that would hasten the development process. This would help bring about exactly what Newt Gingrich says he wants: a Third Wave economy, which Alvin Toffler describes as based on "processes and products that are miserly in their energy requirements."

Resource-base taxation is a proposal designed for where the economy is going, rather than where it has been.

---

PROGRESS IN THE BATTLE  
AGAINST DRUGS IN LATIN  
AMERICA

**HON. BENJAMIN A. GILMAN**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 12, 1995*

Mr. GILMAN. Mr. Speaker, the deadly Cali drug cartel is on the run today like never before. The Colombian National Police to their enormous credit, and at great sacrifice in lost lives of many of its finest police officers, have long and courageously battled this scourge. In recent weeks they have successfully captured or brought about the surrender of many of the key drug kingpins, and others associated with the deadly Cali cartel. Now the judicial process in Colombia hopefully will serve to provide these same unsavory figures with prompt trials and the appropriate jail time, commensurate with the enormity of their deadly crimes, especially against our young.

In Peru, President Fujimori has started his second term with a strong democratic mandate. He is publicly committed to crushing the narco-traffickers, as he successfully battled the Shining Path terrorists. The results have also been impressive from Peru's air interdiction efforts on coca paste headed for Colombia. Today, there are more and more drug trafficking flights refueling in Brazil in order to avoid detection by these aggressive Peruvian efforts, as they make their way into Colombia with their deadly cargo.

These and other developments in the Andean region and nearby, give all us guarded

hope that we can expect even more of these courageous and impressive results, aimed at the drug cartels and their deadly cargo. This issue is a major foreign policy concern of mine and others like Mayor Giuliani in New York City, who know full well that this scourge of narcotics must be aggressively fought abroad, before these drugs hit our streets, and infect our cities and schools.

All of these recent developments in Latin America present a challenge and a tremendous opportunity for U.S. international drug policy and interests in the region. It is an opportunity we cannot afford to miss to help reduce the level of deadly drugs coming into the United States.

We all know that once these deadly drugs reach our streets, we suffer billions of dollars in related crime, incarceration, health care, lost worker productivity, and other social ills and costs. Vice President Gore recently put the annual cost to the United States from illicit drug use at \$67 billion. While that figure is very conservative, as a cost analysis, it clearly points out the critical need for our Nation to stay focused on this important subject, especially from a foreign policy perspective. We must also provide the necessary resources abroad, as well as here at home, which are needed to fight this epidemic which costs our society so much, in dollars and lives, each and every day.

Now more than ever, we must keep the pressure on the illicit drug trade and the drug cartels and we must work cooperatively with all concerned nations around the globe against this scourge. Nothing less will suffice for the benefit of our youth and the future of our Nation and the source and transit countries as well.

History clearly demonstrates that those nations which facilitate this illicit trade, also pay a deadly price in the corruption, violence, and inevitable local drug abuse so often associated with this scourge.

---

SIR GARY F. BELSKY, GRAND  
CHANCELLOR OF THE PENN-  
SYLVANIA KNIGHTS OF PYTHIAS

**HON. ROBERT A. BORSKI**

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 12, 1995*

Mr. BORSKI. Mr. Speaker, I rise today to honor Sir Gary F. Belsky, who will be honored by the Pennsylvania Knights of Pythias on September 16, 1995.

Mr. Speaker, the Order Knights of Pythias, to which Sir Gary Belsky gives his time and talent, was founded in Washington, DC in 1864. Established during the Civil War, it was hoped the Knights of Pythias might help to heal the wounds and allay the hatred of the war's conflict.

Since 1972 Gary has dedicated his life to the service of others through the three cornerstones of Pythianism, which are: Friendship, charity, and benevolence. Gary has diligently served as chancellor commander, financial secretary, and treasurer of Barbarossa Lodge #133. Gary Belsky is only the second man of Barbarossa to ever be awarded with the honorable "Sam Ospow Award." This is just one of the many awards attributed to Gary's dedication and service.

The United States has had the honor of having Gary serve in the military and Air National Guard. Gary successfully owned and maintained shoe stores through the Philadelphia area, and is presently managing a women's shoe store in Elkins Park, PA. Gary still finds time to be a successful bowler and a family man. He is an active citizen in his community and is dedicated to the principles of his religion.

All of this, plus many other contributions, led his peers to select Sir Gary Belsky as the grand chancellor of 10,000 members of the Pennsylvania Knights of Pythias.

On September 16, the Barbarossa Lodge #133 of the Knights of Pythias will honor Gary Belsky for his service. I join the Barbarossa Lodge and all of Gary's friends in tribute to him.

MALONEY HONORS NEIGHBORS R  
US

**HON. CAROLYN B. MALONEY**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 12, 1995*

Mrs. MALONEY. Mr. Speaker, I rise today to bring to the attention of my colleagues the achievements of Neighbors R Us, an extraordinary community group which has won a great battle for preserving a great neighborhood.

Last year, when Toys R Us announced its intention to open a superstore on the corner of 80th and Third Avenue, it was greeted with dismay by those of us who live in the neighborhood. We feared that this store would negatively impact the residential character of the community. We feared that it would endanger access to the nursing home across the street. We feared that it would cause severe traffic problems throughout the whole neighborhood.

Mr. Speaker, the difference between a good neighborhood and a great neighborhood is that when a great neighborhood is threatened, it draws together and rises to the challenge. And that is just what happened. Hundreds of residents from all walks of life gave selflessly of their time and created one extraordinary community group—Neighbors R Us.

Neighbors R Us spent countless hours gathering the information to show that Toys R Us was exploiting a local loophole in its efforts to open a store tens of thousands of square feet larger than the zoning restrictions would have allowed. But despite having justice on their side, there were many who felt that Neighbors R Us' efforts were doomed from the beginning. They were fighting the system; they were Davids battling a corporate Toys R Us Goliath.

But Neighbors R Us refused to listen to these naysayers. United, they continued to lobby the board of standards and appeals to do the right thing and preserve the community. They organized meetings; they held vigils; they wrote letters and made phone calls; in short, they gave new meaning to the words "community activism."

And they won.

Mr. Speaker, many individuals played critical roles in Neighbors R Us' well-deserved victory, so to single anyone out would be wrong. Because this was a victory that was truly shared by every member of the community. Certainly, the residents surrounding 80th Street have

much reason to celebrate. But I believe that this issue has broader implications. It is a victory for the entire community and for every community in New York because it sends a message that residents' voices deserve to be heard.

It is true that Toys R Us may appeal the board of standards and appeals decision in court. But having worked with Neighbors R Us for well over a year on this issue, I am confident that they will ultimately prevail. Because they have proven that when a community is unified, there is no limit to what it can achieve.

So I ask my colleagues to join me in saluting Neighbors R Us for their extraordinary efforts on behalf of a truly great community.

CONGRATULATING GUAM'S  
ATHLETES FOR EXCELLENCE

**HON. ROBERT A. UNDERWOOD**

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 12, 1995*

Mr. UNDERWOOD. Mr. Speaker, when Guam's Special Olympics athletes compete, there is only the thrill of victory; the agony came earlier. So it is with great honor that I announce to you and the rest of our colleagues, in my home district of Guam, we have many noteworthy athletes who have thrilled us all.

In the recent Special Olympic Games held in the State of Connecticut, the people of Guam reached a new milestone. The island had more special athletes compete in this event than ever before. I now rise to pay tribute to these victorious athletes by placing their names in the CONGRESSIONAL RECORD.

In bowling, our Team Guam hit strikes, as Marion Molinos and David Bascon took bronzes in the unified doubles and silvers in the unified team competition. The marks improved further as Rosaline Unpingco and George Gabriel took gold in unified doubles and silver as competitors in unified team. Finally, it was Vernamarie Quinata and Bernadette Colet who worked to a fourth place finish in women's doubles. In addition, Vernamarie also fought to sixth place in women's singles while Bernadette got the gold.

On the athletic team, Kristopher San Nicolas threw for a silver in the softball throw and gained a bronze for the 100-meter race in walking. Edwin Bartolome won a bronze in the men's pentathlon. Patrick Blas was awarded the bronze in the 50-meter run and a ribbon in the shotput. Raymond Duenas walked his way to a bronze in the 15-meter walk and swam to a ribbon in the 25-meter freestyle. Melvin Muna was awarded ribbons for both the 25 and 50-meter freestyle in addition to a gold in the 25-meter backstroke. John Hammond got silver medals in the 25-meter freestyle and backstroke. James Francisco participated in the opening ceremonies but, due to a family emergency, could not compete in any athletic events.

So, to all the coaches, Marianne Cepeda, Rick Vasquez, Rich Fisher, Patty Blas, Rose Cruz, Vickie Loughran, and Troy Lizama, I commend you for a job well done. To the head of the delegation, Karen Biggs and the executive director Carole Piercy, who showed the Guam family just how much they cared, I want you to know that you are also very spe-

cial. Finally, I congratulate all of Guam's athletes who competed in the games. Although they did not all earn medals, they are all Guam's heroes.

FRANKLIN BOROUGH FIRE DEPARTMENT CELEBRATES 100TH ANNIVERSARY

**HON. JOHN P. MURTHA**

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 12, 1995*

Mr. MURTHA. Mr. Speaker, one of the remarkable stories of the last 19th century was the rebuilding of Johnstown, PA after the Great Flood of 1889. The Johnstown Flood destroyed the city and much has been written about this disaster. But most of these stories stop at the death and destruction caused by the raging waters; they don't talk about the rebuilding efforts that made Johnstown a bustling, growing steel community in the years after the flood.

Although it was the turbulent waters which caused the initial devastation during the flood, the fires which came afterwards completed the destruction. As the Johnstown area rebuilt over the next few years, residents realized they needed protection against the potential damage that fires could pose. In 1895, seven residents of Franklin Borough located just east of the downtown Johnstown area, decided to form a department to protect the borough and provide emergency services to the people of the area. One hundred years later, the Franklin Borough Fire Department is still going strong.

The Johnstown area has endured two major floods and severe economic downturns over the past 100 years. But the Franklin Borough Fire Department has continued to protect the residents of the area during good times and bad. From the days when seven residents founded the department, the Franklin Borough Fire Department has developed into a modern, efficient fire and rescue operation, handling emergencies from rescues to disposing of hazardous materials. The department is still the hub of Franklin Borough, and many of the activities in Franklin Borough revolve around it.

I'd like to congratulate the Franklin Borough Fire Department on its 100th anniversary. I join the people of the borough in wishing them well as they start on their second century of protecting the people of the area.

ENVIRONMENTAL TAX REFORM  
ACT OF 1995

**HON. FORTNEY PETE STARK**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 12, 1995*

Mr. STARK. Mr. Speaker, today, I am introducing the first in a series of bills to discourage pollution and resource depletion through the elimination of corporate energy and resource subsidies.

The first bill in this series is simple. It repeals 11 incentives in the corporate Tax Code to produce various polluting energy supplies and consume various nonrenewable minerals.