EXTENSIONS OF REMARKS

COMMUNITY DEVELOPMENT BLOCK GRANT DIRECT HOME OWNERSHIP ASSISTANCE EXTENSION ACT

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mrs. MINK of Hawaii. Mr. Speaker, the Community Development Block Grant [CDBG] Direct Home Ownership Assistance Program will expire at the end of the current fiscal year, leaving numerous communities nationwide at a great loss. For this reason, I have introduced the CDBG Direct Home Ownership Assistance Extension Act which would prolong the duration of this program another year, to end in fiscal year 1996.

The National Affordable Housing Act [NAHA] in 1990 amended CDBG legislation to remove direct home ownership assistance from the public service category and establish it as a separate entity. A sunset clause in the NAHA legislation would have terminated the program on October 1, 1993; however, due to apparent need for the program, the 1992 Housing and Community Development Act further extended the provision through October 1, 1994. The 1992 legislation also authorized the Secretary of Housing and Urban Development [HUD] to extend the program 1 additional year through fiscal year 1995, which he did on September 30, 1994.

Program extension is even more crucial at this point, months after HUD released its national home ownership strategy in partnership with groups including the American Bankers Association and Federal National Mortgage Corp. The strategy aims to increase the national home ownership rate to 67.5 from 64 percent in 5 years—adding up to 8 million new families to home ownership rolls in the United States by end of the year 2000—without adding new Government spending. Direct home ownership assistance is an ideal component of this strategy.

Direct home ownership assistance is crucial for my State of Hawaii as a whole, considering that its rate of home ownership is a mere 53.5 percent. The median price of an existing home in the United States in 1994 registered at $109,000, while the median price for an Oahu home was $360,000.

Unique circumstances surround the County of Kauai in my district, which continues to recover from devastating effects of Hurricane Iniki, 1992. The Kauai County Housing Agency has been planning to put all $140,000 of its fiscal year 1995 CDBG funds into direct home ownership assistance and desperately needs this program to continue. The single-family house price for Kauai County in September 1994 was $311,632. In addition, as defined by HUD, 44 percent of Kauai's resident households are considered to fall below 80 percent of the median income level. These factors present a significant proportion of Kauai's families with only bleak possibilities at home ownership.

Despite Kauai's high-housing prices and low-income levels, the desire for home ownership still remains notable. According to the county, 66 percent of the households who will eventually move from their current place of residence wish to become homeowners. However, 17 percent of these households have less than $5,000 for down payment purposes. Many families in Kauai County are presented with little or no opportunity to achieve the American dream. Direct home ownership assistance would help at least some of these families.

On the national level, according to HUD's latest CDBG performance reports—compiled for the 1992 program year—143 communities used approximately $18.2 million for 247 activities under direct home ownership assistance—which is available for all States. Municipalities which have benefited substantially from the program in fiscal year 1995 include Boston, $1.6 million; Cambridge, $237,811; and Springfield, MA, $920,400; Kansas City, MO, $2.4 million; Johnson City, TN, $240,225; and Lakeland, FL, $135,000.

Direct home ownership assistance is a valuable program that increases user flexibility without contributing more to CDBG costs. It provides needy communities with an alternative to housing assistance under HOME investment partnership grants. Many communities, such as Kauai, have incorporated this program into 1995 CDBG plans and would be forced to extensively reporgram funds should this program expire.

I strongly urge my colleagues to support the CDBG Direct Homeownership Assistance Extension Act.

THE REPUBLICANS' CUTS IN STUDENT LOANS AND EDUCATION

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mrs. COLLINS of Illinois. Mr. Speaker, this week, all across the 7th Congressional District in Illinois, children, teenagers and young people are beginning their new school year and buckling down for a year of hard work and study.

Unfortunately, the GOP budget proposals will be randomly expelling young people from education programs across the Chicago metropolitan area. Frankly, I'd like to make the Republicans supporting these proposals sit in the corner with a dunce cap on their heads or give them an F for unfairness.

It is evidently to the majority of Americans across the country that spending Federal funds on education is a smart investment. Despite widespread support for funding for education, the Republicans are slashing education funding to dangerously low levels. In Illinois' 7th Congressional District, these cuts will hit especially hard and will cause thousands of students to lose access to critical educational opportunities and services.

From pre-school through graduate school, all students are targets of the Gingrich-Republican's budget cuts. The Republicans are proposing cutting a whopping $45 billion from education programs over the next 7 years, plus eliminating the U.S. Department of Education, to pay for tax breaks for the wealthiest 1 percent of Americans.

For young children, these cuts will eliminate nearly 50,000 Head Start children from the successful and popular Head Start Program. Ms. Sherry West, a former Head Start parent and mother of four children from the 7th Congressional District, visited Washington, DC last month to describe exactly how devastating these cuts will be.

The Republicans in the House of Representatives have already voted to eliminate the Federal school lunch program that has guaranteed needy children a decent meal since they were established by Harry Truman in 1946. Instead, the Gingrich-Republicans want to establish a block grant with no guarantee that hungry children will be fed during a recession or other economic downturn and no requirements that nutritional standards be met. When I visited the Henry Suder Elementary School in my District earlier this year, I saw how directly these cuts will impact 488 of the school's 501 students who participate in the Federal nutrition program.

The Summer Youth Employment program that provided more than 10,000 young people in Chicago summer jobs and an opportunity to learn useful job skills last year is also eliminated completely. Funding for children with disabilities is cut by 64 percent leaving many of these children without the resources that are needed to help them face their extraordinary obstacles and challenges.

In Chicago alone, education services will be eliminated for more than 25,000 students and cause as many as 1,000 teachers to be laid off. The city of Chicago will lose more than $41 million for special and vocational education, dropout prevention, job training, school building repairs, drug free school programs and numerous other educational programs.

Cuts for higher education will also be devastating. Currently, the vast majority of students in my congressional district can only afford to attend college or graduate school by taking out enormous loans that they must pay back for a decade after finishing school.

Now, with a decrease of $520 million in the Pell Grant Program, $156 million in the Federal Perkins Loans Program and more than $700 million in total student financial assistance, even fewer of my constituents will be able to afford to attend college. The cost of student loans is expected to increase by $2,000 for undergraduate students and between $6,000 and $38,000 for graduate students under the Republicans' plan. This is not just pocket change to most young people and will prevent many of them from getting a college degree.

The students in my District have some advice for the Republicans—stop acting like a

schoolyard bully and start making smart investments in America's future by funding education opportunities for everyone.

A DEDICATION IN HONOR OF MRS. RUTH WILLIAMS

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. DELLUMS. Mr. Speaker, I rise to join the California Legislature, city and county of San Francisco, the outstanding citizens of the Bay View Hunters Point district and the constituents of the Ninth California Congressional District to honor the later Mrs. Ruth Williams at a dedication and commemoration ceremony held September 9, 1995.

The 1888 historic landmark and the city's oldest structure of its kind, the Bayview Opera House, will be dedicated as the Bayview Opera House Ruth Williams Memorial Theater as a tribute to her pioneering achievements. She played a central role in preventing the untimely demolition of the building during the 1960's. As a result of obtaining funds to redesign and renovate the structure, Mrs. Williams introduced the community to their first contemporary theater. She produced, directed, and performed in 37 theatrical and musicals. As a founder of the Bayview Repertory Theater Company, she effectively utilized theater to heal and enrich the lives of everyone around her.

In 1971, I had the good fortune to share the same platform with Mrs. Williams at a ground breaking ceremony. She delivered a powerful oratory to motivate and inspire others even though the day before her husband, George, was stricken with a stroke.

Mrs. Williams' 30 years of community activism, as a champion for civil and human rights in California, is visible in the neighborhood that she and her family resided. The Jackie Robinson Gardens Apartments, a 3,500 unit for low- to moderate-income housing complex which included the first single family homes in Hunters Point, is a testament to her commitment. She successfully operated a family planning clinic for two decades, providing teen and young adult counseling in sex education, teen pregnancy, drug and alcohol abuse. Mrs. Williams produced the first televised Northern California High Blood Pressure Telethon raising over $50,000 for community education on the effect of high blood pressure on the African-American community.

The Bayview Opera House Ruth Williams Memorial Theatre is a beacon to all those who had the privilege to work with her and to the present and future generations who will know of her dedication, devotion, and commitment for the betterment of humankind.

TRIBUTE TO DOROTHY PELL SAVAGE

HON. MICHAEL P. FORBES

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. FORBES. Mr. Speaker, I rise today to pay tribute to the memory of an outstanding Long Islander, Dorothy Pell Savage. Mrs. Savage, who was the founder and chairwoman of the board of East End Hospice, an agency that provides in-home care for the terminally ill, died on July 30, 1995, at the age of 75, after a 6-month struggle with breast cancer. Mrs. Savage's selfless work in the health care field gave dignity back to almost 800 terminally ill Long Islanders by allowing them to live out the remainder of their days at home surrounded by their family and friends instead of being alone and isolated in a sterile hospital room.

Mrs. Savage was born on November 3, 1919, in Garden City. She grew up in Manhattan and attended the Spence School there. She went on to become a successful businesswoman, first as a manager at the Lord & Taylor and Depinna department store branches in Eastchester, NY, and later as the owner of a women's clothing shop in Scarsdale, NY.

She married Hugh Savage in 1939. When Mr. Savage became ill in the mid-1980's, she cared for him at home until his death in 1986. After his death she decided to turn the tragedy around by founding East End Hospice with the help of a few good friends.

Today, the agency has over 200 volunteers and in its 8-year history the hospice has cared for almost 800 people on both the north and south forks of Long Island.

Mrs. Savage is survived by her two sons, Tracy and Hugh, and her nine grandchildren.

Although Mrs. Savage is no longer with us physically, her legacy and dedication to eastern Long Island will live on through the volunteers of East End Hospice.

Mr. Speaker, I ask you to join me in extending my heartfelt sympathy and prayers to her family and friends. She will be missed.

SALUTE TO THE CITY OF CARPINTERIA

HON. ELTON GALLEGLY

OF CALIFORNIA

HON. ANDREA H. SEASTRAND

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. GALLEGLY. Mr. Speaker, we rise today to honor a city we both represent that is celebrating its 30th anniversary of incorporation later this month.

On September 21, 1965, a group of people living in what is now Carpinteria, CA, voted 895 to 635 to become the fifth incorporated city in Santa Barbara County and the 306th city in the State.

Since that time, the city has grown in population from 6,500 to more than 14,500, while retaining the small-town character and friendliness that prompted many residents to settle there in the first place.

In the city's first 30 years, its residents have maintained a viable and vital city government, provided a high level of police protection, effectively applied planning and land use standards, constructed public facilities that benefit both residents and visitors, revitalized the downtown area, provided recreation and social services and—along with the rest of southern California—dealt with more than their share of natural disasters.

Over the years, the residents of Carpinteria have also enjoyed their fair share of milestones: from the opening of the first—rented—city hall with two full-time employees on November 1, 1965, to the establishment of the city police department 2 years later to the city's purchasing and moving into its own city hall in 1975.

Mr. Speaker, the proud residents of Carpinteria have planned an extensive, 4-day celebration of all that they have achieved over the past 30 years to coincide with this happy anniversary. We are grateful to be able to introduce these remarks on the city's behalf and to remind our colleagues that there is a very special place in southern California home to some very special people and that place is called Carpinteria.

SALUTE TO THE PHILADELPHIA COMMISSION ON HUMAN RELATIONS AND THE HONORABLE GILBERT F. CASELLAS

HON. THOMAS M. FOGLIETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. FOGLIETTA. Mr. Speaker, I rise to salute the Philadelphia Commission on Human Relations [PCHR] as it celebrates the 50th anniversary of the founding of the United Nations, and honors the Honorable Gilbert F. Casellas, Chairman, U.S. Equal Employment Opportunity Commission, at their 26th annual Human Rights Awards luncheon on October 27, 1995.

This Nation was founded on the principles of a democratic self-government, independence, and religious freedom. A free and tolerant society was envisioned, one offering harmony, opportunity and understanding to those who had long been persecuted. Philadelphia is observing Human Relations Month to increase public awareness of laws prohibiting discrimination and to promote intergroup harmony and understanding among communities.

The Philadelphia Commission on Human Relations is gathering on October 27, 1995, to convene its 26th annual Human Rights Awards luncheon to publicly recognize and thank individuals who have made outstanding contributions in promoting intergroup harmony and understanding.

I am proud of the accomplishments and contributions of the Philadelphia Commission on Human Relations, and I join with the Philadelphia community in congratulating the commission, Gil Casellas, and all the individuals being honored by the commission on this important day.

PERSONAL EXPLANATION

HON. JIM NUSSLE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. NUSSLE. Mr. Speaker, on Thursday, September 7, my vote was not recorded on roll call vote No. 640. Had my vote been recorded, I would have voted ''aye.''

TRAGEDIES IN CHECHNYA

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. SMITH of New Jersey. Mr. Speaker, while this House was in recess, the world learned of a tragic loss. Fred Cuny, disaster relief expert, pioneer in modern humanitarian assistance, and American citizen, is now presumed by his family to have been murdered in Chechnya. He had vanished there some 5 months ago, along with a Russian translator, Galena Oleinik, and two Red Cross doctors, Andrei Sereda and Sergei Makarov, who had come with him. Their deaths are all the more tragic because they were in Chechnya not to help one side or another, but to assess the needs of innocent refugees, Chechen and Russian, driven from their homes by the conflict.

The facts of this tragedy are not entirely clear. According to information received by the Cuny family, it appears that Fred Cuny and his associates were killed by a group of Chechens, but there is evidence that Russian authorities in Chechnya may have had a hand in the killings. During the course of an investigation into his death, the Cuny family took written and spoken testimony that Russian intelligence operatives had spread disinformation about the group, alleging that Cuny's team was anti-Chechen and associated with the Russian secret service. Whether this effort was intended to discredit the team, or had more sinister motives, is immaterial. If true, it is an example of the callous disregard Russia has shown toward the fat of noncombatants in Chechnya, including those who are trying to alleviate human suffering.

Mr. Speaker, Fred Cuny cared passionately about human rights. After his first visit to Chechnya, he wrote an article entitled ''Killing Chechnya'' for the New York Review of Books, in which he documented the indiscriminate bombing and shelling of residential areas by the Russian Army, a barrage that left both Chechen and Russian civilians dead by the thousands and homeless by the tens of thousands. Just before he departed for his fateful second trip, he met with the staff of the Commission on Security and Cooperation in Europe, of which I have the honor to serve as chairman, recounting the willful disregard for human life that he had found in Chechnya. His words from that meeting about the innocent civilians caught up in the fighting—''they're dying like flies''—were marked by both frustration and compassion. I would add also that Fred Cuny also testified before the Commission earlier with regard to his humanitarian efforts in the former Yugoslavia and the human suffering in that corner of Europe.

Fred Cuny's concern for human rights abuses carried him all over the world, often at the behest of his country's political and military leaders, who many times—most recently, during and after the gulf war, and in the former Yugoslavia—employed him as a consultant. The company he founded, Intertect Relief and Reconstruction Agency, was devoted to finding solutions to humanitarian disaster—solutions that set a new precedent for excellence and long-range planning in the field of disaster relief. He saved tens of thousands of lives, traveling to some of the most dangerous corners of the world, often at enormous personal risk.

Mr. Speaker, I have spoken out strongly against the brutality of the war in Chechnya, and its corrosive and potentially destructive effect upon the prospect of Russian democracy. I have joined with the international community in calling for a cease-fire in Chechnya. One month ago, that call was answered. The efforts of the Russians and Chechens in establishing and holding to a cease-fire agreement should not be overlooked. But neither should the murders of Fred Cuny and his team, and neither should Russian and Chechen responsibility for the killings, if any exists.

In his compassion, courage, and ingenuity, Fred Cuny embodied so much that we hold valuable in the American spirit. But the deaths of that relief team remind us that the horrors against which he had spent his life fighting—the slaughter of innocent civilians, the deprivation of even the most basic human rights, such as food and shelter, from an entire town, the persecution of humanitarian workers—are the tools of those who would rule by repression, force, and fear.

Mr. Speaker, I offer my condolences to the Cuny family, and to the families of those who died with him. I hope that Fred Cuny will be remembered for his good work, immense courage, and for his honorable death. And, I call on both sides, Chechen and Russian, to use the current cease-fire to expose and bring to justice those responsible for this reprehensible act.

TRIBUTE TO THE AMERICAN AUTOMOBILE ASSOCIATION SCHOOL SAFETY PATROLS

HON. JOHN L. MICA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. MICA. Mr. Speaker, I would like to take this opportunity to acknowledge the American Automobile Association's School Safety Patrols. The 1995–96 school year marks the 75th anniversary of the AAA/School Safety Patrol partnership. Over the years, the safety patrol—which annually safeguards the lives of millions of young boys and girls—has become almost as recognizable to motorists as the stop sign. The presence of a safety patrol member wearing the familiar orange Sam Browne belt, which circles the waist and crosses over the shoulder, is a nationally accepted traffic indicator alerting motorists to drive carefully, for school children are in the area.

Motorists will find safety patrol members in 76 percent of the communities across the country. AAA clubs across the United States and Canada sponsor the 500,000 member safety patrol program in 50,000 schools.

AAA clubs supply the training materials, belts, badges and everything needed to organize and operate a school safety patrol program, as well as recognition activities.

Serving as patrols helps children develop a sense of responsibility at an early age. They're on duty early every morning of the school year and after the school day is over, sacrificing their play time. Throughout the day they remind their fellow students of safety rules and see that they cross the street only when it is safe to do so.

Over the years, the program has spurred worldwide interest, and youngsters in many foreign lands have joined in the effort to improve traffic safety for school children.

The national pedestrian death rate per 100,000 children under 10 years of age is dropping steadily—from 10.4 in 1935 to 3.0 in 1986, a 71-percent decline—and continues to decline. By 1993, the death rate for pedestrians under 10 was 1.4 per 100,000, down 65 percent from 1975. Not only are fewer young pedestrians being killed, but the percentage of those deaths in relation to total pedestrian fatalities also is declining. Some factors in the drop in child pedestrian deaths include increased public and media attention on traffic and child-safety issues, more students being bused to and from school, and improved emergency-medical services.

During its long and distinguished history, the School Safety Patrol has saved many lives. Last year, for instance, seven safety patrol members were honored for their heroics.

Drivers can and need to help protect our most precious resource by recognizing school zones—and the familiar orange Sam Browne belt worn by the School Safety Patrol—as a warning to slow down and look for children crossing the road.

I ask my colleagues to join me today and salute the contributions of the thousands of safety patrols kids everywhere.

Thank you, Mr. Speaker, for allowing me the distinct pleasure of recognizing the 75th anniversary of the AAA School Safety Patrol partnership.

CODIFICATION OF RECENT LAWS TO BE INCLUDED IN TITLE 49, UNITED STATES CODE, TRANSPORTATION

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. HYDE. Mr. Speaker, today I am introducing a bill to codify without substantive change recent laws related to transportation not included in title 49 and to make technical and conforming amendments to the United States Code. This bill was prepared by the Office of the Law Revision Counsel of the House of Representatives under its statutory duty—2 U.S.C. 285b—to prepare and submit periodically revisions of positive law titles of the Code to keep those titles current.

This bill makes no change in the substance of existing law. Anyone interested in obtaining a copy of the bill should contact the Judiciary Committee document clerk in room B–29 of the Cannon House Office Building. The telephone number is 225–0408. In addition, a section-by-section summary—containing reviser's notes—of the bill may be obtained through Edward F. Willett, Jr., Law Revision Counsel, U.S. House of Representatives, H2–304 Ford House Office Building, Washington, DC, 20515–6711.

Persons wishing to comment on the bill should submit those comments to the law revision counsel no later than October 12, 1995.

SALUTING THE ''THREE AMIGOS'' FROM THE SEVENTH CONGRESSIONAL DISTRICT DRAFTED TO THE NBA

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mrs. COLLINS of Illinois. Mr. Speaker, I rise today to commend the accomplishments of three outstanding student athletes from the seventh Congressional District of Illinois; Michael Finley, Sherrell Ford, and Donnie Boyce of Maywood, IL. Recently, these three students were drafted into the National Basketball Association [NBA].

When these three young men attended Proviso East High School in Maywood, IL, they were often together and were nicknamed the ''three amigos,'' after the movie with the same name. As high school seniors, they were the leaders of the 1991 Proviso East Pirates basketball team that won the Class AA State Champion. While Michael, Sherrell, and Donnie were at the helm, the Pirates won the first of two back-to-back State championships.

After high school, Michael Finley went on to play small forward at the University of Wisconsin and was recently drafted in the first round by the NBA's Phoenix Suns. Sherrell Ford played forward for the University of Illinois-Chicago Flames and was the first round draft pick of the Seattle Supersonics. Donnie Boyce was a guard on the University of Colorado's basketball team and was drafted in the second round by the Atlanta Hawks. Donnie succeeded despite the fact that he was recovering from a broken leg.

Mr. Speaker, these three young men possess outstanding talent and have been highly successful student athletes. As the Representative of the congressional district that produced Isaiah Thomas and is home to Michael Jordan, I am looking forward to a bright future for Maywood's ''three amigos'' and wish them lots of success.

IN RECOGNITION OF MS. URSULA F. SHERMAN

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. DELLUMS. Mr. Speaker, I rise to join the Berkeley-Richmond Jewish Community [JCC] to honor Ms. Ursula F. Sherman at the First Annual Cultural Arts Tribute held September 10, 1995.

Ms. Sherman is a founder and founding board member of the Berkeley-Richmond Jewish Community Center, which serves as one of California's most active centers of Jewish life. She is a past president and current active board member of the JCC. She has played a central role in promoting Jewish cultural activities at the center. Ms. Sherman is also cofounder of Berkeley-Oakland Support Service [BOSS] which provides shelter, transitional housing, job counseling, and other social services to thousands of the East Bay's homeless. She serves as a current board member of BOSS.

Ms. Sherman also serves as president of the board of ''A Traveling Jewish Theater,'' a nationally renowned innovative theater company. She is a board member and former president of the Jewish Arts Community of the Bay [JACOB], an association of board members of the Jewish Federation of the Greater East Bay and is trustee of the Northern California American Jewish Congress. Previously, she served as a board member and chair of the Religious School Committee of Berkeley's Congregation Beth El.

A Berkeley resident for many years, Ms. Sherman has devoted her life to improve and enrich the lives of everyone around her. Her commitment to community building and social justice is deeply impressive and worthy of commendation.

FIRE DEPARTMENT ANNIVERSARY

HON. MICHAEL P. FORBES

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. FORBES. Mr. Speaker, I rise today to pay tribute and to congratulate the Nesconset Fire Department for 60 years of dedicated service to the people of Nesconset, St. James, Ronkonkoma, and Smithtown. The residents of the Nesconset Fire District are fortunate to have such a well-trained and devoted fire department. The Nesconset Fire Department worked hard to establish itself as one of the best departments in New York and has achieved an impeccable record.

The success of the fire department is a direct result of the dedicated and effective management displayed by its members. Under the leadership of Chairman Nalio D'Orzaio the fire department has continued to play an active role in the life of the Smithtown community. This leadership umbrella extends to the other members of the board of fire commissioners, Frank Bernabeo, Vincent Puelo, James Goelz, and James Trube as well as the loyalty and hard work exemplified by Chief Officer Greg Anderson, First Assistant Andrew Normandeau, Second Assistant Neil Zanfardino and Third Assistant Thomas Guerriere. The Nesconset Fire Department consists of more than 123 volunteer firefighters, containing no career employees, offering further evidence of their passion and commitment to the community they serve.

On Saturday, September 17, 1995, the Nesconset Fire Department celebrates its 60th anniversary with a parade, marking the culmination of a long, proud history by recognizing and honoring the efforts of those who have sacrificed and served the department and community. Therefore Mr. Speaker, it is with great pride that I ask the rest of the House to join me in congratulating the fire department on achieving this milestone. This is a much deserved tribute and I wish them all the best on their day of recognition and glory. They give of themselves because of the love and pride they share for their community, and we applaud their extraordinary service and efforts. These courageous individuals have truly earned this recognition. May they continue to serve their community for many years to come.

HONORING BENNETT A. LANDMAN

HON. BILL BAKER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. BAKER of California. Mr. Speaker, recently Bennett A. Landman, an outstanding student at Orinda High School in my home district in California, won a signal honor. Bennett was awarded second place in the physics and astronomy category in the senior division at the 1995 California State Science Fair.

Bennett's project, titled ''Chaotic Cards,'' investigated the path of a falling card and its relation to chaos. This innovative project ultimately determined that the interaction of the surface of the card and the air when it resists torque is a source of chaos in the fall of the card.

The sophistication of this project was matched by the creativity that inspired it. Bennett deserves high praise for the discipline and energy he brought to this endeavor. Innovation and commitment have been the hallmarks of America's scientific achievements throughout the years, and these same qualities are evident in Bennett's fine work.

It is a pleasure for me to recognize Bennett Landman, and to wish him well in all his future efforts. He is a credit to his family, his school, and to California.

TRIBUTE TO HISPANIC HERTIAGE MONTH

HON. RICK LAZIO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. LAZIO of New York. Mr. Speaker, today marks the commencement of Hispanic Heritage Month.

From as early as the 1400's, people of Hispanic descent have contributed to the benefit of our national mosaic. In 1492 Spain was the only country that would support a visionary Genoese explorer's quest in finding a sea route to India. As a result of Queen Isabella's courageous backing of Christopher Columbus, America was discovered.

Since then, the Hispanic-American community has infused a rich cultural, ethical, and intellectual flavor into our melting pot. Men like Everette Alvarez who, as a brave young Navy pilot, became the first American prisoner of the Vietnam war. For 8 long years he painstakingly endured all of the mental and physical anguish that the North Vietnamese could inflict, and survived as a hero.

Women like Jovita Mireles Gonzales, an historian and folklorist who was one of the first people write in English about the Mexican-American culture. As a folklorist, she became the first Mexican-American president of the Texas Folklore Society.

And men like Dr. Luiz Alvarez, a physicist who developed a radar beam that could guide an airplane to landing under impossible visual circumstances. This innovation gave the United States of America a great advantage during World War II. As a pioneer in the world of high-energy physics, Dr. Alvarez achieved the highest goal in his field in 1968 by becoming the sole recipient of the Nobel Prize.

Today, Hispanics continue to contribute to the fabric of our community. On Long Island, I would like to acknowledge four residents of my constituency who are truly leaders among the Hispanic community and have flourished in their fields: Mr. Angel M. Rivera for his excellence in youth services; Miss Alexandra Feliciano for her outstanding academic leadership; Mr. Hector D. LaSalle for his contributions to the legal profession; and Dr. Dennis Da Silva for his dedicated activities in the medical field and community.

The list of achievements is endless. For that reason it is of utmost importance to honor the rich contributions of Hispanic-Americans in our society. I proudly applaud their efforts. Mr. Speaker, it is with great pleasure that I commemorate Hispanic Heritage Month.

DISAPPROVING THE RECOMMENDATIONS OF THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

SPEECH OF

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Mr. FAZIO of California. Mr. Speaker, I rise today in strong opposition to the BRAC Commission's 1995 base closure list and in support of House Joint Resolution 2.

No where in the United States has BRAC had such a devastating impact as it has had in the Sacramento area. In all four rounds of BRAC the Sacramento area has shouldered well over a quarter of all jobs lost in California due to BRAC.

BRAC made a terrible decision to close McClellan AFB which I represent. Sacramento has been hit far more than any other community in this country. No where in the United States has a community been hit three separate times. Sacramento has already given its fair share to base downsizing.

I voted for the creation of an independent base closure commission because it would be insulated from the politics of individual Members of Congress and their districts so that BRAC could make fairminded decisions as to which bases ought to be closed based on the basis of national need.

However, I must say with great regret and dismay that this BRAC Commission was exceedingly political, made its decision in a vacuum, and in my mind deliberately inflicted undue pain on the people of Sacramento.

BRAC made its decision based not on the facts, but rather the politics of base closures, that up until now have been void from the process.

I believe that BRAC grossly distorted the process and abdicated its responsibility as an independent commission.

This decision was based on data and analysis generated by the Commission staff that was not certified. Further, there was no opportunity—even when specifically requested—for the Air Force or DOD to review the staff analysis and determine the operational impacts of the recommendations. The impacted communities were not provided with an opportunity to respond to this analysis either.

I believe that this approach seriously undermines what was designed to be an open and fair process and contradicts the spirit of the BRAC statute.

I would like to discuss three areas where I feel that the BRAC Commission substantially deviated from the intent of the BRAC statute as well as its total disregard for the Department of Defense's recommendations. In my mind and the minds of many of my colleagues on both sides of the aisle that have been adversely affected by this decision, the BRAC Commission clearly subverted and deviated from the BRAC statute and past BRAC Commissions.

ECONOMIC IMPACT

The Sacramento region has suffered two previous base closures—Mather AFB (1988) and the Sacramento Army Depot (1991). These closures resulted in the loss of 11,516 direct jobs and 28,090 total.

The closure of McClellan will result in a loss of 13,000 direct jobs and over 31,000 total jobs.

The total combined effect of all three closures results in over 59,000 total jobs lost which represents 7.8 percent of the region's total employment. These three closures make Sacramento the hardest hit community in the entire country for all four BRAC rounds.

MILITARY READINESS

The recommendations to close McClellan and Kelly are simply unacceptable. Of all the options for eliminating excess capacity in the Air Force depot system, the Commission's approach will cause the most turbulence, will cost the most money, and will have the most negative impact on mission support capabilities.

The substitution of judgment by the BRAC staff on the cost and savings associated with these two bases is deeply troubling. Changing assumptions and parameters based on anecdotal information and running COBRA analyses using nonbudget quality data and with no input from military officials are causes for great concern.

A review of the military's BRAC budgets demonstrates that previous cost assessments of prior rounds understated. In fact, earlier this year, the Navy reprogrammed more than $700 million from operations and maintenance accounts to cover cost overruns in its base closure account. We should not risk the readiness of our troops on a cost and savings evaluation which did not receive the same level of budget scrutiny as Secretary Perry's original recommendations.

In a letter dated June 21, 1995, Secretary of the Air Force Sheila Widnall and Air Force Chief of Staff Ron Fogleman wrote to the BRAC Commission that ''the staff generated BRAC proposal described to us will * * * preclude the Air Force from carrying through on vital readiness and modernization programs.''

Secretary Widnall and General Fogleman further stated that ''the essential business of the Air Force * * * would be greatly disrupted.''

CROSS-SERVICING

There is widespread agreement, including the recently published Commission of Roles and Missions Report, that cross-servicing and privatization are the smartest, cheapest, and least disruptive methods of downsizing large industrial facilities. Every major study in this area, from the Defense Science Board to the Joint Chiefs of Staff, agree that cross-servicing and privatization are the right way to downsize depot maintenance.

The fact that neither the Defense Department nor the Commission were successful in instituting cross-servicing in a comprehensive manner to remove redundancies among the services is a major disappointment.

In my view, the Commission's recommendations are not an appropriate or acceptable substitute for eliminating capacity in defense industrial facilities the right way through cross-servicing.

This BRAC list comes up short. The enormous costs, loss of capabilities, and overall impact on readiness are too great a risk. There is a right way and a wrong way to downsize depots. This is definitely the wrong way.

I understand probably better than most that we as a Congress have the responsibility to close bases down that are unneeded in the wake of the end of the Soviet Union and the cold war.

But BRAC's decision risks readiness, will not eliminate excess capacity, and asks the people of Sacramento to shoulder a far higher proportion of pain than does the rest of the country.

The BRAC Commission has gone too far this time, I ask my colleagues to support this resolution and reject the Commission's ill-advised recommendations.

THE GREEN REVENUE PATH

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. STARK. Mr. Speaker, as we consider changes to the Tax Code, I hope that we can consider bills to discourage pollution and the depletion of scarce natural resources.

I've long proposed these kinds of tax changes, and I am today introducing the first in a series of such tax bills—a bill which will eliminate various subsidies designed to encourage the consumption of polluting materials and the destruction of scarce natural resources.

I would like to enter in the RECORD at this point an excellent op ed on this subject which appeared in the September 10 Washington Post entitled, ''The Green Revenue Path.'' Over the coming months, I plan to introduce other bills to advance the ideas contained in this article.

THE GREEN REVENUE PATH—FOR HEALTHY GROWTH, WASHINGTON SHOULD TAX RESOURCES, NOT LABOR

(By Ted Halstead and Jonathan Rowe)

For all the talk of radical tax reform in Washington, there's a basic question that the politicians and experts have somehow missed. The leading proposals, whether Democratic or Republican, are justified by what they wouldn't tax—capital gains, interest income, etc.—not by what they would tax. Purporting to encourage savings and investment, these proposals would all tend to shift the burden of taxation in one way or another from income onto work—that is, onto the folks who, in Sen. Phil Gramm's apt phrase, ''pull the wagon.''

There's a better way, one that doesn't penalize the things—work and enterprise—that America needs most. Instead of taxing the creation of wealth, the government ought to

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 pollution—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 PENNSYLVANIA 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 special. 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.

The revenue raised by repealing these corporate provisions is approximately $14.5 billion over 5 years.

Through powerful lobbying, polluters have carved out special treatment in the Tax Code. These tax breaks or loopholes do nothing but undermine the public good. Not only is the Government subsidizing environmental degradation, but average citizens must make up for the lost revenue by paying higher taxes or suffering under the burden of increased national debt. These tax loopholes function as a reverse Robin Hood, taking from the average worker and giving to the polluting businesses.

Fundamentally, these tax subsidies lock-in old technologies, such as coal-fired electricity, which make it harder for new, cleaner, more efficient technologies like solar or wind energy to take hold and complete. Furthermore, subsidizing the extraction of virgin minerals from the earth makes recycling and source reduction less competitive.

Currently, these polluting tax subsidies cost taxpayers close to $2.2 billion per year. This figure is expected to total a $14.5 billion Treasury loss over the next 5 years. The mining and oil corporations are two industries which are rewarded with special tax breaks for polluting activities.

First, the mining industry enjoys tax subsidies for mining toxic substances such as lead, mercury, and asbestos. These subsidies can exceed the value of the owners' investment in the mine. Furthermore, tax subsidies conflict directly with Federal environmental policies. The Tax Code subsidizes the mining of lead, asbestos, and mercury, while the Government spends millions to eradicate these highly toxic substance from our environment.

The second major industry cradled by tax subsidies is the oil and gas industry, which enjoys the most elaborate targeted tax treatment available to any industry. For example, investors can write off passive losses from oil and gas investments but not from investments in other industries. Oil and gas companies are allowed to write off many of their capital costs immediately, and many can take deductions for so-called percentage depletion—which has no connection with actual expenses or depletion. The purpose of these tax subsidizes is to encourage domestic oil and gas production and consumption.

Having provided these subsidies, Congress has recognized that it is not in the national interest to encourage oil and gas consumption. But rather than repealing the oil and gas tax breaks, it has instead provided additional, conflicting subsidies for alternative fuels and conservation. To make matters even more confusing, one of the largest alternative fuel subsidies is for gasohol, which some argue may use almost as much fuel to produce as it ostensibly saves. In total, the conflicting tax breaks for oil, gas and energy are estimated to cost $19 billion over the next 5 years.

The U.S. Treasury studies have repeatedly found that extractive and polluting industries such as coal mining, petroleum, natural gas, and hardrock mining already have lower effective rates than other industries. In a time when there are no guarantees of Government support for the poor, the young, or the disabled, one might ask whether there should be guarantees of Government support for businesses, particularly those that degrade our natural environment and threaten our health. It is time to end these tax breaks.

REMEMBERING OUR POW'S AND MIA'S

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. GILMAN. Mr. Speaker, September 15 is National POW–MIA Recognition Day, a day when our veteran's posts, our schools, our libraries, and our mass media can remind all Americans of our courageous servicemen whose fates are still undetermined from our Nation's past wars.

Candidate Clinton told the POW–MIA family groups and veteran organizations that he would never lift the trade embargo or normalize relations with the Communist government of Vietnam until the fate of thousands of POW's and MIA's from the Vietnam war was resolved. President Clinton, against the advice of the American Legion, the National League of Families, the National Alliance of Families, and other veteran and family organizations has gone back on his word. His rationale for doing was that the Vietnamese Government was cooperating with our efforts to account for our men.

Regretably, besides some access to old crash sites that were, on many prior occasions, fully investigated by Vietnamese, Soviet, and Chinese personnel years ago, the Vietnamese Government has done next to nothing to attempt to account for hundreds of Americans. The government of Vietnam continues to withhold from our investigators access to prison records and military reports that were written at the time of the shoot downs and captures. The meticulous Communist recordkeepers tell us that the books were ''eaten by worms, damaged by weather, or hold sensitive national security information.''

For this reason I introduced House Joint Resolution 89, legislation that will prevent the State Department from expending any funds for an Embassy in Vietnam.

It is my sincere hope that the administration's normalization of trade and relations with Vietnam eventually pays dividends and that next year there will not be any need for an MIA–POW Recognition Day. Unfortunately, if Hanoi's past track record is any indication of what we should expect by way of cooperation, then there is little hope of learning much more about our missing servicemen.

Accordingly, on this solemn day, we reaffirm our commitment to continue our struggle to resolve all of the many remaining cases of our Nation's POW–MIA's.

SMALL BUSINESS CREDIT EFFICIENCY ACT OF 1995

HON. DOUGLAS "PETE" PETERSON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. PETERSON of Florida. Mr. Speaker, today I rise in support of H.R. 2150, the Small Business Credit Efficiency Act of 1995. This bipartisan legislation will strengthen the 7(a) and 504 programs within the Small Business Administration at a time when small businesses are increasingly seeking access to capital. At the same time, H.R. 2150 recognizes the fiscal crisis our Government is facing and seeks to lower the cost of these invaluable programs for the Government and the taxpayer.

As a small businessman, I know firsthand the difficulties small business men and women across the country face in securing financing and capital through the private sector. SBA's loan programs are aimed at filling this unserved niche and allowing the bedrock of our economy—our Nation's small businesses—to grow.

Mr. Speaker, there is an emerging consensus that we must balance the Federal budget, a belief I have held since first elected to Congress. All outyear forecasts, however, presume continued economic growth. Furthermore, the past decade has demonstrated that new job growth is coming almost exclusively from small businesses. Therefore, if we are to have any hopes of continued economic expansion and long-term fiscal stability, we in this Congress must support our Nation's small businesses and provide them with the tools they need to survive. That is the mission of SBA and that is exactly what these loan programs do.

Recently the 7(a) program has fallen victim to its own success. The growth in demand for guaranteed loans does not come without a price and our limited annual subsidy rate is predicted to fall short of covering this demand. This bill will lower the subsidy rate, thereby reducing the cost to the Government, while at the same time accommodating this increased demand for guaranteed loans.

Mr. Speaker, I urge my colleagues to support this much-needed legislation which will benefit the Federal Government by lowering the subsidy rate, benefit our small businesses by increasing access to capital, and benefit our Nation by spurring continued economic growth.

THE ALBERT V. BRYAN COURTHOUSE

HON. JAMES P. MORAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. MORAN. Mr. Speaker, I am pleased to introduce legislation today naming the new Eastern District Federal Courthouse at Courthouse Square South and Jamieson Avenue South in Alexandria, the Albert V. Bryan Courthouse.

Appointed to the U.S. District Court in 1947 by President Truman and promoted in 1961 to the Appeals Court by President Kennedy, Judge Bryan is best known for his 1958 order that four black students be enrolled in Arlington's all-white Stratford Junior High School. Implementation of this order produced the first day of school desegregation in Virginia history.

Judge Bryan was also a member of the judicial panel that ordered the desegregation of public schools in Prince Edward County during the height of Virginia's massive resistance to integration. The Prince Edward case later became part of the Supreme Court's historic 1954 decision in Brown versus Board of Education.

In his 37 years on the Federal bench, Judge Bryan built a record as a legal conservative and a strict constructionist. He was renown for

his fairness, firmness, and thoroughness. Of the 322 opinions written as a circuit judge and the 18 opinions written as a district judge, he was reversed in only 4 cases, a record few can equal. His colleagues knew him as a courtly, conservative Virginia gentleman whose personal style was low key, modest and polite, often with a dry wit.

According to his son, U.S. District Judge Albert V. Bryan Jr., Judge Bryan, Sr. thought of the court as a jewel of the Constitution. Following through on the jewel metaphor, the Washington Post editorial marking the death of Judge Bryan, stated that: ''those who knew the senior Judge Bryan might well add that this appraisal came from a expert who valued that gem and protected it with integrity and eloquence.''

With great reverence and pride, I am pleased to introduce legislation today to honor and commemorate this distinguished Alexandria jurist.

TRIBUTE TO PHYLLIS KASSOFF

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. MANTON. Mr. Speaker, I rise today to join Temple Torah in honoring Phyllis Kassoff. Since 1961, Ms. Kassoff has demonstrated her leadership skills and talents through her work at the Temple Torah and beyond.

Phyllis Kassoff's guidance has been reflected in her participation in a number of causes in her temple and community. Some of these include, Torah Fund chairperson and co-cultural vice president for the Sisterhood and Ms. Kassoff currently is co-president. In addition, she aided in the establishment of the first PTA of the Hebrew School at the Temple and was designated its first corresponding secretary. She participated with her extended family in funding an Israel Educational Scholarship for underprivileged children, and a Relaxation Glen for Israeli soldiers and their families.

After 14 years, Phyllis went back to college where she received the high honor of being elected to Kappa Delta Pi from Queens College where she graduated with a degree in Early Childhood Education and a Masters in Child Education. She went on to teach in the New York City School System where she headed counseling services at a federally-funded private on-the-job training program. Phyllis Kassoff's family is also and important part of her life; her husband Edwin Kassoff, children Mitchell and Robert, and grandchildren Sarah, Johathan, Jaclyn, and Adam.

Phyllis' hobbies are reflected in the some of the groups she participates in including the National Judicial College Choral Club and the Israeli Folk Dancing group at Temple Torah. In addition, she enjoys travel and photography. Currently, she is the recording secretary for the Temple.

Within the last 3 years, Phyllis, along with her brother and sister, graciously donated the computer and computer area at the Law School at Bar Slau University in Tel Aviv, as well as the Ner Tamid in the synagogue library area, a portion of the builder's wall in the lobby as well as the computer room and necessary equipment in memory of their parents. In addition, they funded the construction of a road leading into the park where athletes run with the torch to Jerusalem to mark the beginning of Chanukah holiday celebrations.

Phyllis Kassoff illustrates the importance of family, community and religion in all aspects of our lives. I know my colleagues join me in paying tribute to Phyllis Kassoff and wish her well in her future endeavors.

GOLDEN HEAL-A-MIND

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. WAXMAN. Mr. Speaker, I ask my colleagues to join me in honoring Nat and Barbara Winters on the occasion of their receipt of the ''Golden Heal-a-Mind'' Award.

This award to Nat and Barbara Winters is also a symbol of recognition of Gateways Hospital, one of the oldest and most respected mental health treatment centers in the country.

Nat and Barbara Winters are paragons of achievement, compassion, and commitment. They suffered the unimaginable pain of the loss of their daughter 8 years ago. This tragedy created a bond between them and all others for whom illness has brought great suffering.

The Winters are principal supporters of the city of Hope, Cedars-Sinai Heart Family, the John Wayne Cancer Research Organization, and numerous other health organizations. Nat Winter, a director of Congregation Mogen David, has also worked hard on behalf of the Jewish community.

I hope my colleagues will join me in congratulating Nat and Barbara Winters for receiving the ''Golden Heal-a-Mind'' Award and for their years of selfless dedication to our community. I wish the Winters, their children and grandchildren every happiness this honor can bestow.

A BILL TO IMPOSE AN EXCISE TAX ON AMOUNTS OF PRIVATE EXCESS BENEFITS FROM CHARITABLE ORGANIZATIONS

HON. AMO HOUGHTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. HOUGHTON. Mr. Speaker, I am pleased to join my colleague, the gentleman from California [Mr. STARK] in introducing the Exempt Organization Reform Act of 1995. This is an important piece of bipartisan legisaltion that would help solve a problem that we have attempted to address a number of times in the past. Basically, the issue is one of private inurement involving tax-exempt organizations, where the organization's insiders are using the charity's asserts for their own personal benefit. The problem is how to handle abuses in that area, short of revoking the tax-exempt status of the organization. At the present time, the only tool normally available to the Internal Revenue Service, in private inurement situations is revocation. Revocation is often too severe and does not punish the illegal acts of the insider. Intermediate sanctions are needed to prevent organization insiders from using a charity's assets for their own personal benefit.

In the 103d Congress, the Oversight Subcommittee and the full Ways and Means Committee made a number of attempts to address the issue. Most recently, a bipartisan proposal was suggested by Ways and Means members as part of the GATT implementation legislation. Unfortunately, it was not included in the final conference report by the House and Senate. Both in the past and currently, the Treasury and IRS have continued to urge that legislation be enacted to fix this problem.

The bill would include provisions to: First, extend the current law prohibition on private inurement applicable to charities to social welfare organizations (section 501(c)(4) organizations), second, provide for intermediate sanctions in the form of penalty excise taxes where the organization engages in an excess benefit transaction; as well as imposing dollar sanctions on certain disqualified individuals—for example, insiders—who improperly benefit from such a transaction, and third, require reporting of excise tax penalties imposed so that contributors can make an independent judgment on supporting the organization, and provide for public availability of annual reports.

These changes are designed to solve the current problems resulting from the lack of a range of enforcement tools. This legislation will also improve the ability of contributors to scrutinize the activities of organizations they support.

We welcome the support of our colleagues in cosponsoring this important legislation.

HONORING RITA DI MARTINO

HON. ED PASTOR

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. PASTOR. Mr. Speaker, I would like to salute today a very special and esteemed member of this Nation's Hispanic community, Rita Di Martino. True leaders are the pillars that hold our communities together. They are our source of hope and inspiration. The Nation's Hispanic community is blessed by the presence of many of these heroes, many recognized, many not. Among these leaders, the name Rita Di Martino stands out as a symbol of courage, commitment, and selfless devotion to improving the educational and economic opportunities for Hispanics. Through example she has instilled in her community the importance of active political and civic participation and responsibility. Most importantly, she has led by principles of excellence and sincerity of spirit.

Di Martino's professional career has been impressive. A native New Yorker, she began her career in the mid-70s at the New York State Department of Commerce. In 1979, Di Martino joined AT&T as managing director for the Caribbean and Central America as well as in public affairs and public relations. Since 1989, she has held the position of director of Federal Government affairs, where she assists in establishing and developing AT&T's relations with the administration, Congress, and State governments. Throughout the years, she has become AT&T's most valuable advisor in issue dealing with Hispanic affairs and multicultural issues in general.

In addition to her responsibilities at AT&T, Di Martino is a member of the Council of Foreign Relations and the Conference Board; serves on the Executive Committee of the National Council of La Raza; is the Vice-Chair of the Congressional Hispanic Caucus; the National Hispanic Corporate Council; the Cuban American National Council; the National Association of Latino Elected and Appointed Officials; the U.S. Senate Republic Task Force; and is a Presidential Appointee to the USO World Board of Governors. In 1982, Di Martino was appointed by President Reagan as U.S. Ambassador to the UNICEF Executive Board. As head of the U.S. Delegation, she represented the interest of the U.S. and influenced policy regarding the relationship between the U.S. and UNICEF.

Rita Di Martino has also been a pioneer of women's rights. She has been a first in many places where women, especially Hispanics, had not been able to conquer the barriers imposed by society. Recently, the Mexican American Women's National Association [MANA] established the Rita Di Martino Scholarship in Communication in recognition of her many accomplishments. The scholarship will be given to Hispanic women that excel in their professions and at the same time have a strong commitment for the betterment of their communities.

I ask my colleagues to join me in honoring a remarkable woman and a true leader. Individuals like her serve as true role models for our future generations.

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1996

SPEECH OF

HON. GEORGE R. NETHERCUTT, JR.

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 7, 1995

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2126) making appropriations for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes:

Mr. NETHERCUTT. Mr. Chairman, I rise in support of H.R. 2126, the 1996 Department of Defense appropriations bill. As a member of the subcommittee and committee which crafted this bipartisan bill, I believe it represents a revitalization of our national security by this Congress.

I want to address a misleading argument that is often made in media reports and in this Chamber. Some people try to criticize this bill by claiming it funds items that the Pentagon didn't even ask for. In fact, as a part of the executive branch, the Department of Defense is asked to confirm the unlikely by saying that the Federal Government can provide for our defense needs with President Clinton's budget plan. The Department of Defense did not ask for everything it needs, even after 10 straight years of cuts, because the President's budget was simply insufficient. The modest increases in defense spending provided by the House budget resolution will help bridge the gap between America's military goals and commitments and the money the administration budgeted for defense.

Many of the big-ticket purchases in this bill have received a lot of discussion, but I want to draw attention to some of the less noticeable needs that are met by this bill.

This bill funds a critical Army need for trucks to replace 2½-ton trucks that are an average of 25 years old. Would you trust your life in wartime to a 1970 vehicle? Our Army troops are forced to do just that by the administration budget.

This bill increases procurement of equipment for the Reserve Component Automation System. This system will increase readiness by enabling the Army Reserve and National Guard to respond to a crisis in substantially less time than the current, manual process.

This bill helps replace gas-guzzling, air-polluting engines in Air National Guard and Air Reserve tanker refuelers that are expected to be used until the year 2020. In the long run, these engine upgrades will make our refuelers more efficient, cleaner, and more cost-efficient.

The list of items goes on and on: improved laser systems for the Army Reserve, C–9 cargo door repairs for the Navy Reserve, and auxiliary power units for Air Force KC–135's. This bill funds many items the Pentagon needs and was not allowed to request because, although President Clinton's defense budget was not part of a plan to balance the budget, the defense budget was supposed to continue to shrink drastically.

I support this bill because it is the bipartisan product of a committee that did a good job of using available funds to provide for many of the real needs of the Department of Defense. Adequately providing for the national security and vital interests of the United States is one of the most important things this Congress and this Government can do. I urge my colleagues to vote for this important bill.

THE FEDERAL THRIFT SAVINGS PLAN ENHANCEMENT ACT OF 1995

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mrs. MORELLA. Mr. Speaker, today I am introducing the Federal Thrift Savings Plan Enhancement Act of 1995. The bill will authorize the addition of a Small Capitalization Stock Index Investment Fund and International Stock Index Fund to the investments available under the Federal Thrift Savings Plan (TSP). These stock funds will be linked to the Wilshire 4500, Wilshire 5000 index minus the 500 stocks held in the S&P 500 index, and the Morgan Stanley EAFE Indices, respectively.

By adding these two funds to the Federal employees' retirement investment portfolios, it potentially will increase their investment earnings for retirement. The bill would also empower Federal workers to take more active and personal responsibility for their retirement. This is a theme that the private sector has embraced with much success, and its integration into the Federal culture has considerable value.

The addition of the two funds would cost taxpayers nothing, because the contributions to the funds would come from the discretionary income of Federal workers. At the same time, it would give Federal workers retirement investment options that are increasingly being made available to their private sector counterparts.

In offering this bill, I envision a more flexible and attractive investment policy that will provide prudent and tested investments suitable for accumulating enough funds for a long and happy retirement. If there is one major goal in introducing this bill, it is to increase the likelihood of a quality retirement life.

The current Federal TSP has three investment funds: the Government Securities Investment Fund (G Fund); the Common Stock Index Investment Fund (C Fund); and the Fixed Income Investment Fund (F Fund). These funds are passive investments, tracking a broad index, and do not have a negative effect on the budget. By linking the Small Capitalization Stock Index Investment Fund with the Common Stock Investment Fund, the legislation would open up virtually the entire U.S. Stock Market to the TSP. Likewise, by adding the International Stock Index Investment Fund, it would allow Federal workers to capitalize on approximately 58 percent of the world market.

Over the past decade, capitalizing on these two investment opportunities would have increased the earnings of participants. In fact, the Wilshire 4500 has outperformed the S&P 500 in 12 out of the last 20 years, while generally moving in the same direction as the S&P 500. At the same time, the EAFE has also outperformed the S&P 500 in 11 out of the past 20 years. Over these two decades, adding these two funds to an equally distributed TSP would have produced the highest annual return of 12.8 percent with a 10.4 percent standard deviation.

The addition of these two funds does not come without risk. These funds are more volatile than the C Fund, which currently is the most volatile fund in the TSP. However, experts have noted that the right amount of diversification can actually negate investment risk. For instance, when an EAFE index fund investment is added to a C Fund investment, the volatility of the combined investment actually decreases.

The bill also includes a provision that would allow Federal workers to increase the amount they can contribute to the TSP, without altering the current matching formula. My goal is to provide Federal workers the flexibility to increase their contribution levels to the maximum allowed by IRS laws. The Federal workers in my district as well as across the country overwhelmingly support this provision. Many see it as an opportunity to offset potential changes to the retirement system. Support for the increase was also echoed by Vincent Sombrotto, president of the National Association of Letter Carriers [NALC] at a hearing held last year. Mr. Sombrotto stated that ''Letter carriers throughout the Nation understand the great importance of saving for their retirement. In fact, they would like to do more to ensure their financial security.'' He further stated that delegates at the NALC Biennial Convention supported legislation to allow both FERS and CSRS employees to contribute more to the Federal TSP.

There is also another benefit to increasing the contribution limit. By increasing the money going into funds, this could increase the available investment capital for the Nation's economy. If this becomes the case, this is clearly a ''win-win'' situation for the country and Federal workers.

There, however, is the potential that this provision could impact the revenue base since employee contributions are tax deferred. I

have asked the Joint Committee on Taxation to perform an analysis outlining any potential negative impact to the revenue base. I am committed to an increase, but not at the expense of the revenue base. Therefore, the actual amount of the percentage increase will depend upon the Joint Tax Committee's analysis. This will allow the cosponsors of the bill to support it with a clear fiscal conscience.

As I introduce this bill, I hope that we can help others view their retirement years as a new beginning by providing the framework to get there.

EXEMPT ORGANIZATION REFORM ACT OF 1995

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. STARK. Mr. Speaker, today my colleague, Mr. AMO HOUGHTON, and I will introduce the Exempt Organization Reform Act of 1995. This bill reforms three provisions of exempt organization law. The bill would first create a category of transactions that would be considered self-dealing because of insiders involved in a transfer of 501(c)(3) or 501(c)(4) organization assets; second, clarify that private inurement prohibitions apply to 501(c)(4) organizations; and third, impose intermediate sanctions on both private inurement and self-dealing transactions.

Section 501(c)(3) of the Internal Revenue Code exempts from Federal income tax religious, charitable, educational and certain other organizations that meet statutory and regulatory requirements. A primary requirement for tax-exempt organizations is that the organization's net earnings may not inure to the benefit of any private shareholder or individual, and the organization may not be organized or operated for the benefit of private rather than public interests.

Under current law, the only sanction available to the IRS to combat private inurement is revocation of the organization's exempt status. Revoking an organization's tax exemption is a severe penalty, which in many cases penalizes the wrong parties—the intended beneficiaries of its charitable work and the local community—while leaving untouched the insiders or other private parties who benefited from the diversion of the organization's assets and/or income. The IRS rarely imposes this sanction.

Since 1950, Congress has been concerned with problems of self-dealing between private foundations and insiders, and as recently as 1993 and 1994, the House Ways and Means Subcommittee on Oversight held public hearings that focused on compliance by public charities with the private inurement and private benefit prohibitions. Evidence presented at the oversight hearings documented numerous abuses of these prohibitions by a number of public charities. At the Oversight hearings, the IRS established a need for a wider range of enforcement tools—sanctions that do not require revocation of exempt status for violations of the private inurement and private benefit prohibitions.

Problems of insiders inappropriately benefiting from a tax exempt entity are all too common among nonprofit entities. The following examples illustrate transactions in which individuals have enriched themselves at the public's expense while nonprofit organizations have been looted.

An exempt 501(c)(3) health care organization operated a clinic at which the chief executive officer received total compensation in excess of $1 million. In addition, the organization made substantial payments for his personal expenses. The organization had sold its charitable assets and was purchasing physicians' private medical practices, often at more than fair market value.

An exempt University gave its president a significant compensation package, including salary, deferred compensation, expense accounts and loans—many of which were non interest bearing. He also received the use of an expensive residence whose maintenance costs, including maid service, were paid by the University.

A public charity provided assistance to the poor. A principal officer of the organization, along with relatives, used its funds to pay for personal expenses such as leasing of vehicles, educational expenses, vacations, home improvements, and rental of resort property.

An exempt organization headed by a television evangelist raised large sums of money through fraudulent or misleading fundraising. Only a small part of the funds raised was used for charitable purposes. The organization paid the personal expenses of the officers and controlling individuals.

Television evangelist Pat Robertson, chairman of Christian Broadcasting Network [CBN], and his son Timothy, turned a $150,000 investment into stock worth $90 million by the 1992 sale to the public of cable TV stock they had originally bought from CBN.

This story is complicated, with twists and turns that often exist in self-dealing and private inurement cases. A cable TV programming company, The Family Channel, was started in 1977 as a division of the nonprofit CBN and was financed with charitable donations of viewers. CBN wanted to sell the Family Channel in 1989, partly because the Family Channel was so lucrative that it jeopardized the tax exempt status of the CBN—IRS rules require charities to receive their revenues more from charitable activities than from business activities. The Family Channel reportedly generated $17.5 million in just 9 months of 1989.

For the purchase in 1990, Pat and Tim Robertson formed a for-profit company, the International Family Entertainment, Inc., [IFE] with a minority shareholder and bought the Family Channel. The Robertsons put up $150,000—2.22 cents a share—and the minority shareholder put up $22 million.

IFE/Family Channel went public at $15 a share in 1992, and the Robertsons' $150,000 investment became worth $90 million. They retained 69-percent control of IFE/Family Channel. The Family Channel continues to be a cash cow. Pat Robertson's 1992 salary and bonus from IFE/Family Channel amounted to $390,611. His son Tim received $465,731 in 1992 alone. All the while, Robertson remains chairman of the nonprofit CBN that created the lucrative family channel.

The 1993 and 1994 Oversight hearings established the need for sanctions that fall short of revocation of exempt status for violations of private inurement and private benefit prohibitions. The health care bills reported in 1994 by the House Ways and Means and Senate Finance Committees both incorporated provisions on intermediate sanctions. The bipartisan effort in this area has been demonstrated time and time again—in hearings, in committee reports, and in proposed legislation. When unable to pass intermediate sanction legislation during health reform last year, a provision on intermediate sanctions was offered in the Ways and Means Committee's GATT bill, however it was not accepted by the Senate Finance Committee.

The evidence of abuse in this area is compelling. We should move quickly to pass this legislation before insiders take further advantage of organization's tax exempt status.

EXPLANATION OF BILL: PRESENT LAW

Under the Internal Revenue Code (the ''Code''), a tax-exempt charitable organization described in section 501(c)(3) must be organized and operated exclusively for a charitable, religious, educational, scientific, or other exempt purpose specified in that section, and no part of the organization's net earnings may inure to the benefit of any private shareholder or individual. Organizations described in section 501(c)(3) are classified as either private foundations or public charities. Organizations described in section 501(c)(4) also must be operated on a non-profit basis, although there is no specific statutory rule prohibiting the net earnings of such an organization from inuring the benefit of shareholder or individual.

Under the Code, penalty excise taxes may be imposed on private foundations, their managers, and certain disqualified persons for engaging in certain prohibited transactions (such as so-called ''self-dealing'' and ''taxable expenditure'' transactions, see sections 4941 and 4945). In addition, under present law, penalty excise taxes may be imposed when a public charity makes an improper political expenditure (section 4955). However, the Code generally does not provide for the imposition of penalty excise taxes in cases where a public charity (or section 501(c)(4) organization) engages in a transaction that results in private inurement. In such cases, the only sanction that may be imposed under the Code is revocation of the organization's tax-exempt status.

I. EXCISE TAX ON EXCESS BENEFIT TRANSACTIONS

A. The bill would amend the Code to impose penalty excise taxes equal to 25 percent of the excess benefit as an intermediate sanction in cases where a public charity described in section 501(c)(3) (such as a hospital) or organization described in section 501(c)(4) such as an HMO) engages in a ''self-dealing'' transaction with certain disqualified persons. In the case where an organizational manager knows of such a transaction, an additional tax equal to 10 percent of the excess benefit may be imposed upon the organizational manager.

B. For purposes of the bill, ''excess benefit transaction'' generally means any transaction in which an economic benefit is provided by an applicable tax-exempt organization to or for the use of any disqualified person if the economic benefit provided exceeds the value of the consideration. The term ''excess benefit'' includes loans and certain private inurement.

C. Under the bill, ''excess benefit'' also includes the lending of money or other extension of credit between an applicable tax-exempt organization and disqualified person.

D. ''Disqualified persons'' would de defined under the bill as any person who was an organization manager at any time during the five-year period prior to the self-dealing

transaction at issue, as well as certain family members and 35-percent owned entities. The term ''organization manager'' means any officer, director, or trustee of a public charity or social welfare organization (or any individual having powers or responsibilities similar to those of officers, directors, or trustees).

E. The bill would provide for a two-tiered penalty excise tax structure, similar to the excess tax penalty provisions applicable under present law to prohibited transactions by private foundations and political expenditures by public charities. Under the bill, an initial tax equal to 25 percent of the amount involved would be imposed on a disqualified person who participates in a self-dealing transaction. Organization managers who participate in self-dealing transactions, knowing that the transaction constitutes self-dealing, would be subject to a tax equal to 10 percent of the amount involved (subject to a maximum amount of tax of $10,000), unless such participation was not willful and was due to reasonable cause.

F. Additionally, second-tier taxes would apply under the bill if the self-dealing transaction is not ''corrected,'' meaning undoing the transaction to the extent possible, but at least insuring that the organization is in a financial position not worse than that in which it would be if the disqualified person were dealing under the highest fiduciary standards. If a self-dealing transaction is not corrected within a specified time period (generally ending 90 days after the IRS mails a notice of deficiency), then the disqualified person would be subject to a tax equal to 200 percent of the amount involved. Any organization manager refusing to agree to correction would be subject to tax equal to 50 percent of the amount involved (subject to a maximum amount of tax of $10,000). Under the bill, if more than one person is liable for a first-tier or second-tier tax with respect to any one self-dealing transaction, then all such persons would be jointly and severally liable for the tax.

II. REPORTING OF CERTAIN EXCISE TAXES

A. Specified organizations would be required to report respective amounts of taxes paid by the organization concerning lobbying and political expenditures during the taxable year as specified in the bill.

III. EXEMPT ORGANIZATIONS REQUIRED TO PROVIDE COPY OF RETURN

A. During the three-year period beginning on the filing date, applicable organizations must make available for inspection during regular business hours a copy of their annual return. If the request is made in person, the return must be provided immediately. If the request is made in some other fashion, the organization must produce the document within 30 days.

B. Advertisements or solicitations used by applicable organizations must contain an express statement that the organization's annual return is available upon request. Penalties for failing to disclose this information are doubled.

IV. CERTAIN ORGANIZATIONS REQUIRED TO DISCLOSE NONEXEMPT STATUS

A. If the organization advertises or solicits as a nonprofit organization and the organization is not designated by the IRS as tax exempt, the advertisement or solicitation must contain an express statement indicating such.

B. If the organization fails to meet the disclosure requirement with respect to advertising or solicitation, the organization would be required to pay $1,000 for each day that it fails to disclose (not to exceed $10,000 per year unless the organization intentionally disregards the requirement).

V. INCREASE IN PENALTIES ON EXEMPT ORGANIZATIONS FOR FAILURE TO FILE COMPLETE AND TIMELY ANNUAL RETURNS

A. Penalties for organizations that fail to file their return or who file incomplete returns is increased.

EUROPEAN WHEAT GLUTEN EXPORTS TO THE UNITED STATES

HON. SAM BROWNBACK

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. BROWNBACK. Mr. Speaker, our American wheat farmers and producers of vital wheat gluten are in dire danger of falling victim to what could become a virtual monopoly of European wheat gluten exports to the U.S.

Currently, because of existing European tariff and subsidy programs, which are being used unfairly, increasing imports of vital wheat gluten are being dumped in the U.S. at prices below the cost of production. USDA reports that European wheat gluten production will double in the next several years. In combination with predatory pricing, this could destroy our gluten producers. Wheat gluten supplies will become so large and prices so low that the effect would be the inevitable erosion of the U.S. high protein wheat industry.

Mr. Speaker, this must not be allowed to happen.

Today I call on the Clinton administration to help stop this unfair practice that could prove devastating to American farmers. I call on Ambassador Kantor and Secretary Glickman to take action now to negotiate a resolution to this issue.

IN RECOGNITION OF MOBILE CONSTRUCTION BATTALION 2

HON. JAMES V. HANSEN

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. HANSEN. Mr. Speaker, and colleagues, I rise today to pay tribute to a special group of America's unsung heroes—the U.S. Navy Seabees. In particular, I want to tell you the story of one such group of these heroes and the tremendous service they provided our Nation over 40 years ago.

The story of USN Mobile Construction Battalion 2, stationed at Port Hueneme and Cubi Point, began in the spring of 1952. Commanding officer Comdr. Charles C. Compton, and the 12 officers and 464 men of MCB 2, sailed for the Philippines aboard the U.S.S. *Menard* [APA–201] on June 9. The job of the battalion, and their colleagues of MCB's 3 and 5, was to carve a new naval air facility out of the hilly peninsula, called Cubi Point, adjacent to the Subic Bay Naval Station.

Over the next years, the men of MCB 2, clad in traditional Seabee greens or rubberized suits to fend off the relentless summer rains, constructed one of our Nation's most important strategic airfields. The battalion completed several enormous projects including the removal of the top 90 feet of Mount Muritan, a rock mountain which blocked the approach to the future airfield. Major construction projects, including a large and remote ammunition storage facility, a tank farm built on top of a swamp, a new water system, and the Camayan Point-Cubi Point road, tested the skills, dedication, and versatility of the Seabees. In all, millions of cubic yards of earth were moved, reservoirs providing over 2.5 million gallons of water were built, and a new naval air facility was born.

The facilities these unsung heroes built would serve our Nation and her allies well for the next 40 years. The story of MCB 2 and Cubi Point is repeated each year by Seabee units around the world. Never knowing what they would be doing next, the men of Mobile Construction Battalion 2 remained confident in their ability to go anywhere at anytime and build anything asked of them, for they were the Navy's ''Fighting Seabees.''