EXTENSIONS OF REMARKS

SALUTE TO LEMOYNE COLLEGE'S 50TH ANNIVERSARY

HON. JAMES T. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. WALSH. Mr. Speaker, this year as we celebrate the 50th anniversary of LeMoyne College, I would like to applaud an outstanding Jesuit institution in Central New York. This is a college which prides itself on its value-oriented education, a campus whose achievements truly stand apart from the rest.

LeMoyne College was founded by the Jesuits in 1946. On September 5, 1947 the college began classes with an enrollment of 450 students. Recently LeMoyne was nationally recognized in U.S. News and World Report as ranking second among the top 10 regional liberal arts colleges in the north. The total number of undergraduate degrees awarded through June 1996 was 16,700.

LeMoyne prides itself on being the first Jesuit college in the world to open its doors to both men and women. However, their accomplishments do not end there. They created a center for continuous learning, an adult education division, to meet the needs of nontraditional students. Every student is viewed as an individual with different ethnic, geographic and academic interests. Each receives personal consideration in small class settings. This classroom atmosphere strengthens the special bond that develops between the professors and students alike.

The Panasci Family Chapel, built in 1994, enhances the spirit of family, tradition and values that distinguish LeMoyne from any other university. Campus Ministry conducts programs such as PIC-projects in the community, which allows students to be active in community service.

I am proud to recognize LeMoyne's many successes. We are fortunate to have an institution such as this in central New York. I congratulate LeMoyne's administration, faculty and staff for their efforts in providing men and women with a well-rounded, family-oriented education.

I would like to take a moment to commend those who were instrumental in the founding and development of LeMoyne. Without their hard work, dedication and devotion, the college would not be the institution of higher learning that it is today. They are: The Most Reverend Walter A. Foery, D.D.; Rev. Robert F. Grewen, S.J.; Leonard P. Markert; Edward P. Eagan; W. Marcus Crahan; and T. Frank Dolan. I also salute LeMoyne's president, Rev. Robert A. Mitchell, S.J. and the interim academic vice president, Rev. Edmund G. Ryan, S.J., for their valuable leadership.

I ask my colleagues to join me today in wishing this extraordinary institution all the best in what is certain to be an outstanding future.

TAX CUTS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, August 28, 1996, into the CONGRESSIONAL RECORD.

THE RIGHT KIND OF TAX CUTS

Bob Dole has recently proposed $550 billion in tax cuts. Tax cuts are certainly a popular thing to propose, but there is a right way and a wrong way to cut taxes. Tax cuts need to be targeted to those who need them most, they should expand investment and opportunity, and they must be fully paid for so they don't balloon the budget deficit.

OVERALL TAX BURDEN

Over the last 25 years, taxes paid by Americans at the federal, state, and local levels have risen from around 29% of the national income—gross domestic product—to 31% today. Of that, the share going to federal income taxes—both corporate and individual—has dropped from 12% to 11%. The share going to federal social security taxes has increased from 5% to 8%, and the share going to state and local taxes has also risen, from 10% of GDP to 11%. For most individuals, the biggest direct tax bite comes from state and local taxes, then social security taxes, and then federal income taxes.

PROPOSED PLAN

Of these various components, the Dole plan proposes reducing federal income taxes, but has no provisions that would reduce the burden on working families of social security taxes. Moreover, his plan to shift more federal responsibilities back to the states and localities would make it more difficult for them to reduce their taxes.

The Dole tax plan includes a reduction in the top capital gains tax rate, a $500 per child tax credit expanded Individual Retirement Accounts, a lower tax on social security benefits for upper-income retirees, and some education and training tax breaks. But the centerpiece of the plan—accounting for three-fourths of the cuts—is a 15% reduction in income tax rates. Since the income tax rate for most Americans is currently 15%, the plan would bring that down to around 13%. Higher income people pay taxes at a higher rate, so they would benefit more from the rate cut. The main benefit for average income families is the $500 per child tax credit.

QUESTIONS

The tax cut plan is currently getting careful scrutiny, and several questions have been raised about it.

The first question is why propose such a major change in tax policy when the economy seems to be doing fairly well. Four years ago, we faced runaway budget deficits approaching $300 billion per year, sluggish job growth, and weak business investment growth. But today, the deficit has been cut in more than half, unemployment is down to 5.4%, business investment is up, inflation is in check, the economy is expanding at a solid pace. Stronger growth in the economy would be helpful, but this is not the kind of economic picture overall that would seem to call for a major shift in fiscal policy.

A second question is how much of this is economic ''smoke and mirrors'' and rosy scenarios. The proposed $550 billion tax cut could balloon the deficit, since it relies on ''supply side'' assumptions that the tax cuts will to a large extent pay for themselves by encouraging greater work effort. Similar supply-side arguments were heard in the early 1980s to justify a tax cut that was supposed to lead to a balanced budget; instead it helped quadruple the national debt. If it weren't for the interest we are paying on the debt built up during the 1980s, the federal budget would be in balance today.

A third question is who gets the tax cuts. It has been estimated that more than 40% of the benefits would go to families making over $100,000—the top 50% of taxpayers. That's better than those proposed by House Speaker Newt Gingrich which gave more than half of the tax cuts to the richest 5%, but it is still tilted too much to the wealthy.

A fourth question is what spending cuts will be required to help pay for the tax cuts. Certainly a significant part of such a tax cut should be paid for by spending reductions. But what specific programs would have to be cut? The Dole plan is short on specifics, and several of his spending cut proposals are huge but vague or not politically feasible. Yet this tax plan is much larger than the one House Speaker Newt Gingrich proposed last year, and to finance that he wanted to sharply cut back Medicare, cut drug abuse prevention, and cut environmental protections. The Dole plan would require spending reductions far greater than anything proposed in recent years. We should not threaten Medicare and Social Security as well as important investments in our young people with tax cuts going to the wealthy.

Assessment. The bottom line for me on any tax cut proposal is whether it improves the lot of the ordinary Hoosier. It doesn't help the ordinary Hoosier if a specific tax cut balloons the deficit and results in much higher interest rates and mortgage rates. It doesn't help the ordinary Hoosier if a specific tax cut provides enormous tax breaks for people making well over $100,000, paid for by cutting back Medicare, student loans, and environmental protections. And it doesn't help the ordinary Hoosier if a specific tax cut reverses the progress we have made on the economy in recent years. Every tax cut proposal needs to be carefully and thoroughly analyzed.

I favor tax cuts, but they must be set up in the right way. First, they must be targeted largely to those who need tax relief the most. Various proposed tax breaks should be phased out for those at the highest income levels who need them much less than ordinary taxpayers. Second, tax cuts should encourage savings, investment, and opportunity. Thus I favor, for example, tax breaks for education and skills training, which promote investment in our nation's future and expands opportunity for our young people. Third, tax cuts must be paid for. The costs to the Treasury must be fully offset by savings elsewhere—savings that are real, rather than phony ''smoke and mirrors'' projections, specific, and made today, rather than promised several years down the road. We have made major progress in recent years in reducing the budget deficit from $290 billion four

years ago to less than $120 billion today. We should not give up on deficit reduction. Until we balance the budget, every dollar in new tax cuts not paid for is borrowed from our children.

Conclusion. The current national debate on tax cuts is a healthy one. We need an informed policy debate, going beyond the rhetoric and slogans, looking at the details of the specific plans, looking at the hard numbers, and carefully assessing the impact on the overall economy. I favor a simpler and fairer tax system, one that improves—rather than worsens—the lot of ordinary Hoosiers.

TRIBUTE TO ROBERT LADD ON THE OCCASION OF HIS RETIREMENT FROM THE AMERICAN LEGION POST 183

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. GILLMOR. Mr. Speaker, I firmly believe that we can never thank our veterans enough for putting their lives on the line in defense of our Nation. As a veteran myself, I am aware of the tremendous service veterans organizations give to their communities and the country as a whole.

For this reason, I am proud to rise today and recognize Mr. Robert Ladd of American Legion Post 183, Pemberville, OH, on the occasion of his 50 years of service to the post. Robert is a veteran of World War II and has been the post's finance officer since 1962.

Mr. Speaker, Robert Ladd's distinguished military service is a model of patriotism and citizenship. His commitment to the American Legion continues this exemplary service. I ask my colleagues to join me in wishing Robert and his family well as they begin this new chapter in their lives.

May they fully enjoy the blessings of peace and freedom that Robert Ladd has so ably defended as a U.S. veteran.

DESCENDANTS' DAY PROCLAMATION

HON. BOB CLEMENT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. CLEMENT. Mr. Speaker, I am proud to submit this declaration by Trust for the Future to the U.S. House of Representatives to honor the work of Trust for the Future and its president, Charles A. Howell III.

Be it known by all present, that, from this day forward, the last Sunday of June is to be known as Descendants' Day. Henceforth, this shall be the day in each year when all the world's citizens take an accounting of their activities during the preceding year which have impacted our descendants and our neighbors across time.

Be it further proclaimed, that the ultimate goal of this endeavour is to reach the day when we can celebrate a year where the consequences of our actions have no measurable negative impact on our descendants and neighbors across time and instead we can measure the residual impact of our human activities and find them to be undeniably sustainable and beneficial.

We aspire to encourage others around the world to join in this yearly celebration of courageous accountability in the sure knowledge that we will be followed, as we have been preceded, by billions of persons who will either damn us or praise us for the efforts we may or may not expend on their behalf.

Whatever the consequences may be to our present generations we must immediately recognize this opportunity for high service to those we will never know or who will never look up to us in love and gratitude for our steadfastness in this effort. We ask the God of all Humankind to help us achieve our high calling for we can only be successful if we have Divine Guidance and Undergirding.

On this the Eleventh day of the Ninth month in the year of Our Lord One Thousand Nine Hundred and Ninety Six, we affirm our desire to pursue this course with all diligence and hereunto set our hand.

TRIBUTE TO RETIREES OF STERLING HEIGHTS FIRE DEPARTMENT

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. LEVIN. Mr. Speaker, on Friday, September 27, I will be privileged to attend the 10th annual dinner dance held by the Sterling Heights Fire Fighters Union Local No. 1557. Five retiring firefighters will be recognized on that occasion. Among them are distinguished captains, and a fire inspector, training chief, and fire marshal—all recipients of honor awards and letters of gratitude. Together they have given over 123 years of dedicated service to the citizens of the city of Sterling Heights. Repeatedly over the past three decades each of them has unselfishly risked his life to protect the safety and property of Sterling Heights residents.

The Sterling Heights Fire Department doesn't just fight fires—they are called upon by the community for other kinds of service, too. And so these men will also be remembered for their individual qualities—for fine drawing work on fire pumper proposals, for fine departmental photographic work, for the quality of prayer offered and a divine singing voice when it was needed, for their work on previous retirement parties, and for citizen training and community open house participation.

Mr. Speaker, I mention each individual firefighter's name and years of service today so that all Americans will know of their outstanding contribution and commitment to the people of Sterling Heights and surrounding communities: Capt. David W. Hagen, hired as a fireman January 15, 1973, died October 31, 1995—in memoriam; Chief of Training John Frisch, hired as a fireman August 23, 1971; Fire Inspector Bruce N. Cann, hired as a fireman January 4, 1971; Capt. Edward J. Burley, hired as a fireman January 4, 1971; and Inspector John (Jack) Swiatkowski, hired as a fireman January 4, 1971.

Jack and Marge Swiatkowski, have been friends of mine for many years. They have been active in government—Marge is a former Commissioner, the community, and the union for a long time. I offer special congratulations to him.

These gentlemen have earned the appreciation and respect of their community. Mr. Speaker, for this dedication, and uncommon valor, I pay tribute to these gentlemen and I join my neighbors in saluting them on the occasion of their retirement.

HONORING LOU LAWLER

HON. KEN BENTSEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. BENTSEN. Mr. Speaker, I rise to honor Lou Lawler, a community leader in my congressional district and a true heroine to many of us. Lou has brightened the lives of her neighbors in La Porte, TX, through a lifetime of selfless service, and she has touched the lives of seafarers from around the world through her work at the Barbours Cut Seafarers Center, which provides a home away from home for seafarers passing through the busy Port of Houston. I can think of no more appropriate way to honor Lou than by renaming the center the Lou Lawler Seafarers Center, and I am proud to join so many others in our community in congratulating and thanking Lou as she is so honored this Friday, September 13, 1996.

Lou has been active in her community from the day she arrived in La Porte with her husband Jack in 1947. She has been an adviser to mayors, Members of Congress, and Governors. Organizations in which she has been active have included the American Cancer Society, American Heart Association, Rehabilitation Foundation for East Harris County, Salvation Army, American Red Cross, and Air National Guard. As a lifetime member of the PTA, she has worked tirelessly to improve our schools. As a member of the First United Methodist Church of La Porte, she serves on the inter-church council and the social concerns committee. She served on the board of directors of La Porte State Bank and Charter Bank. She has been an election precinct chairman for years. And in 1981, she became the first woman president of the La Porte-Bayshore Chamber of Commerce.

But such lists alone do not come close to doing her justice to Lou Lawler. They do not do justice to her tireless energy, her amazing creativity, her can-do attitude, and her tremendous love.

These qualities are most evident in Lou's work with the seafarers center, which she helped establish in 1983. The center likely would not exist at all if not for Lou's unflagging efforts, and it has flourished because of her. The center provides many necessary services, from the spiritual to the medical to the social, for the more than 100,000 seafarers who pass each year through the Port of Houston, the busiest trade port in the United States. The seafarers center truly does provide a home away from home for these seafarers, and it better enables the port to serve its vital function in our region's economy.

Lou Lawler has done just about everything at the seafarers center, from volunteering to serving as chairman of the board. She currently serves as vice president of the Houston International Seafarers Center and is a board member of the North American Maritime Ministry Association. She was one of the first women to graduate from the Seafarers Center's Chaplaincy Training School. In 1992, Lou

was presented a special recognition from the Vatican for her efforts in working with the Apostleship of the Sea World Conference held in Houston. And last year, the seafarers center presented her with the Tall Ship Award, which goes to an individual not directly involved in the maritime field who has served the seafarers center.

A recent profile of Lou Lawler in the Houston Chronicle had this headline: ''The Jewel of La Porte: Lou Lawler Loves to Give to the Community.'' Through her work at the seafarers' center, Lou's love has rippled around the world. Although we will never be able to match what Lou has done for us, this Friday is an opportunity for our community to give some of that love back to Lou. We thank her for her friendly smile and her warm greeting. We thank her for her leadership by example. We thank her for reminding us every day how much difference one person can make.

TRIBUTE TO NICHOLAS POLONSKI

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mrs. MALONEY. Mr. Speaker, I rise today to pay tribute to Nicholas Polonski, the founder of the Northside Community Development Council in the Greenpoint-Williamsburg section of Brooklyn, NY. Mr. Polonski has been a tireless advocate for the residents of the Northside neighborhood of Brooklyn for over 40 years.

The Northside Community Development Council was formed by Nick Polonski after he had led a successful fight against a large paper machinery company located in Greenpoint. His experience in community advocacy is vast. He has successfully advocated for tenants' rights, for welfare for needy people, and against the planned closure of a firehouse, among many other causes.

As a serviceman in World War II he was awarded the Silver Star for Gallantry in Action for having saved the lives of wounded officers during enemy combat. He repeated such valiant acts following his return to civilian life by saving the life of a police officer in a motorcycle accident many years later.

The Northside Community Development Council celebrated its success on September 6, 1996 by holding its annual dinner and dance. At that dinner-dance, the council honored Brooklyn Borough president Howard Golden; Monsignor David Cassato of Our Lady of Mount Carmel; Pat Ferris, district coordinator for senator Martin Connor; John Talmage, executive assistant to councilman Ken Fisher; David Sweeney, executive director for Greenpoint Manufacturing & Design Center; James Mallon, executive director for Northside and Peter McGuiness Senior Citizen Centers; Tillie Tarantino, executive director of Swinging 60's Senior Center; Captain Fries, commanding officer of the 94th Precinct; and John McDonough, vice president of Republic Bank.

Mr. Speaker, I ask my colleagues to join with me today in tribute to Nicholas Polonski for his commitment to the well-being of his community. I also want to stand in recognition and appreciation of the success of the Northside Community Development Council and to the talent and dedication to public service of those honored at its annual dinner dance celebration.

BIPARTISANSHIP

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for Wednesday, August 14, 1996, into the CONGRESSIONAL RECORD.

LEGISLATIVE WRAPUP: A CASE FOR BIPARTISANSHIP

Only a few months ago the 104th Congress was being widely criticized as one of the least productive sessions in modern history: a Congress long on promise but short on results, a Congress that was very busy, spending long hours in session, but achieving very little. Its sessions were as contentious and uncompromising as any in memory, epitomized by the bitter fight over the budget that closed much of the government for a total of 27 days and set a new low for harsh debate. This Congress was on the brink of failure, blocked by the ideological fervor of the majority that could not be translated into laws.

But that changed in the last week of the congressional session before the August recess. In a flurry of legislative activity; Congress, with my strong support, approved several important bills, including: landmark welfare legislation, a health insurance bill, a catch-up minimum wage bill, a rewrite of the safe drinking water laws, and a package of incentives for small business. This Congress can now boast a stronger record of achievement after a very rocky and unproductive start.

WHAT HAPPENED

What brought the majority and minority together after months of gridlock was a shared fear on the part of the Members of returning to their constituents this fall empty handed and the willingness to compromise on extreme positions. Ideology quickly gave way to pragmatism, and Republicans and Democrats struck deals with each other and the President to shape legislation. They decided that they needed laws enacted, not just confrontational issues. The difference in attitude was most striking among the House leadership. The Speaker, who shunned compromise only last year, is now praising the importance of compromise.

Now there is a scramble among the parties to claim credit for the recent successes. Some Members claimed it was the greatest week in the history of the Congress and the most significant Congress in a generation, but by any reasonable measure that is overstating the record. This Congress' modest accomplishments scarcely measure up to the Congresses of the past which adopted the Bill of Rights, emancipated the slaves, approved the Social Security Act, or oversaw two world wars. But without any doubt the last week of July saw the most serious legislative week in the 104th Congress. The virtues of bipartisanship have been rediscovered and there has been a rush of important legislation.

WHAT WAS APPROVED

The bills that were passed in a burst of lawmaking do alter the lives of millions of Americans. The bills impact on everything from paychecks to the purity of tap water. They include:

Welfare reform.—Congress passed a major overhaul of the federal welfare program by ending the federal guarantee to the poor, limiting assistance to five years requiring recipients to work in exchange for benefits, and giving states more flexibility to administer their programs.

Health insurance.—Congress approved a modest health insurance bill which expands access to health insurance by making it easier for people to get coverage when they have pre-existing medical conditions, and to keep it when they change or lose jobs. The measure also gradually increases the deductibility of self-employed health costs from 30% to 80%.

Minimum wage.—Congress increased the minimum wage for the first time in five years, raising the hourly wage from $4.25 to $5.15 over a two-year period.

Small business incentives.—The minimum wage bill also includes incentives for small businesses: an increased deduction for business-related equipment costs, more flexible rules on subchapter S corporations, and several other measures to encourage business growth.

Environmental laws.—Congress also approved two important environmental bills. It passed a rewrite of the safe drinking water law which gives the Environmental Protection Agency more flexibility in regulating contaminants in drinking water and provides assistance to states and localities in complying with the law. Congress also revised food safety laws to increase protections for children while easing burdensome restrictions on helpful pesticides.

Among the other important achievements of this Congress are a sweeping overhaul of the telecommunications law, the most significant rewrite of federal farm programs since the Great Depression, and a long-awaited measure to give the President a line-item veto power.

GENERAL ASSESSMENT

It is important, however, not to overstate the legislative success of the last week. After all, the minimum wage and the health insurance bills are fairly modest and conventional pieces of legislation. The minimum wage increase simply compensates for some of the effects of inflation, and is not really an advance. The health insurance bill makes a modest improvement in the health care system by making it easier for people who already have insurance to keep it if they can afford it. That is a useful step, but it does not begin to deal with the two great problems of health care: the rapidly escalating cost of care and the fact that one-seventh of the population of the country is still uninsured. The safe drinking water bill was enacted because it promises a large amount of federal aid to communities to improve their water systems.

CONCLUSION

I think the legislative legacy of the 104th Congress has for all practical purposes been written in the last few weeks. In September the Congress might add to its list of accomplishments as it finishes work on bills to crack down on illegal immigration, take new steps to combat terrorism, and reform some other programs like housing. But most of the rest of the session will be dominated by work on routine appropriations bills and on a few hot button social issues, such as an override vote on the President's veto of a bill outlawing late term abortions, a bill to make English the official language of the United States, and a bill to allow states to deny recognition to same-sex marriages.

I think the Nation has been well-served as Congress has moved from gridlock to a more positive phase. People have been turned off by efforts to promote a revolutionary agenda, to shut government down, and to fight ideological wars. I've always felt the American people have a strong strain of pragmatism about them and my guess is they

will approve the pragmatic methods and incremental bills that have been passed in recent weeks.

TRIBUTE TO KENNETH BOCKBRADER ON THE OCCASION OF HIS RETIREMENT FROM THE AMERICAN LEGION POST 183

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. GILLMOR. Mr. Speaker, I firmly believe that we can never thank our veterans enough for putting their lives on the line in defense of our Nation. As a veteran myself, I am aware of the tremendous service veterans organizations give to their communities and the country as a whole.

For this reason, I am proud to rise today and recognize Mr. Kenneth Bockbrader of American Legion Post 183, Pemberville, OH on the occasion of his 50 years of service to the post. Kenneth is a veteran of World War II and is presently a member of Freedom Post 183 Color Guard.

Mr. Speaker, Kenneth Bockbrader's distinguished military service is a model of patriotism and citizenship. His commitment to the American Legion continues this exemplary service. I ask my colleagues to join me in wishing Kenneth and his family well as they begin this new chapter in their lives.

May they fully enjoy the blessings of peace and freedom that Kenneth Bockbrader has so ably defended as a U.S. veteran.

COLUMBIA GOOD GOVERNMENT WEEK

HON. BOB CLEMENT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. CLEMENT. Mr. Speaker, as we enter the election season, which is the true test of our democracy, debates about the future of our country echo throughout American communities—from the Alaskan frontier to the Florida Keys. Yet in November, when it is time to vote, nearly half of Americans stay at home.

The President and Congress must address the financial and structural challenges of our Medicare Program, which faces bankruptcy. Governors and State legislators must assure that a healthy Medicaid Program continues to provide health care access to the States' most vulnerable children and adults. Local leaders must address issues related to health care delivery, taxes, education, and jobs.

Because more American should register to vote and exercise their right to vote;

Because none of the critical issues facing us can be resolved effectively and no long-term solutions can be reached without the input of informed, concerned voters;

And because employers must do more in communities to help foster enthusiasm for participation in the democratic process,

I congratulate Columbia/HCA Healthcare Corporation for their designation of September 8 through 14 as ''Columbia Good Government Week.'' And I encourage Columbia's 285,000 employees and 90,000 associated physicians in 38 States to register to vote, to share their opinions with Federal, State, and local candidates, to encourage others in their communities to learn more about the issues facing American, and to encourage everyone to exercise their right to vote.

TRIBUTE TO OFFICER MARK OLIVERIO

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. LEVIN. Mr. Speaker, I rise today to commend Officer Mark Oliverio of the Sterling Heights Police Department on his receipt of the 1996 DARE Officer of the Year Award for Michigan.

Through the Drug Abuse and Resistance Education Program, Officer Oliverio has been a positive influence in the lives of hundreds of children in Sterling Heights, MI. For the last 5½ years, Officer Oliverio has taught 5th and 6th graders how to say ''no'' to the dangers of drug and alcohol abuse. In his own words, Officer Oliverio said ''I wanted to get in, and in my own way, fight the drug problem.'' Clearly, Officer Oliverio is achieving this goal.

The DARE Officer of the Year Award recognizes Officer Oliverio's contributions to the community which extend beyond DARE instruction. Officer Oliverio still maintains a close relationship with the students of Havel Elementary School. He often ate lunch with students and attended extra curricular activities. In addition, he provided crisis counseling to students following a fatal bicycle accident. Havel Principal Robert Koenigsknecht said, ''He is always here for us.''

Over the years, my staff and I have attended many successful DARE graduations under the able guidance of Officer Oliverio. His compassion and dedication to his students is unmistakable.

Mr. Speaker, I would like to extend my congratulations to Officer Oliverio on behalf of the children whose lives he has touched and the community he has enriched.

IN MEMORY OF RICHARD SAMUEL MANNE

HON. KEN BENTSEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. BENTSEN. Mr. Speaker, I rise on behalf of myself and my colleague from Houston, Congressman GENE GREEN, to remember a great civil rights and civic leader, Richard Samuel Manne, of Baytown, TX, who passed away on September 5, 1996. In his memory, we wish to include in the RECORD the following obituary that appeared in the Houston Chronicle. He is deserving of such recognition because of his personal commitment to ending discrimination in all of its forms and to working for civil rights and voting rights for all Americans. He will be sorely missed.

OBITUARY OF RICHARD SAMUEL MANNE

Richard Samuel Manne, age 69, of Baytown, Texas, died on September 5, 1996. Son of the late Geoffrey and Eva Manne of Memphis, Tennessee. Manne was born October 19, 1926 in New Orleans and grew up in Memphis. After graduating first in his high school class at Memphis Central High, Manne won a full scholarship to Yale University, from which he graduated with honors at age 19. He then attended Vanderbilt University, receiving a masters degree in chemical engineering. In 1947 he moved to Baytown to work for Humble Oil, and in 1948 he married Beverly Maisel, who survives him. He retired from Exxon in 1983 after working for 35 years at its research center in Baytown. His research led to a variety of patents. Having grown up in the Deep South, Manne hated discrimination in all forms. In the 1950's and 1960's he worked as an activist for civil rights and voting rights. He co-founded and later chaired the Harris County Democrats, and founded and published the Bi-Monthly Star, a political gazette. In an era when Christmas parties at Exxon were racially segregated, he refused to attend the ''whites only'' parties and instead celebrated the holidays with black employees in the basement of the research center. Through his work in politics, he became interested in law and began attending South Texas College of Law at night, while continuing to work for Exxon. He graduated first in his class at South Texas, served as editor-in-chief of the law review, and was asked to serve on the faculty after graduation. He taught at the law school for many years and served on its Board of Visitors. He also founded the LSAT Review Course of Texas, and taught the course for more than twenty years. After retirement from Exxon, he expanded his private practice of law, which he continued until his death. Manne was remembered by friends and family at the evening service on September 6 at Congregation K'Nesseth Israel in Baytown. In addition to his wife Beverly, he is survived by his brother Henry G. Manne of Arlington, Virginia; his sons Neal and Burton of Houston; daughter-in-law Nancy D. McGregor of Houston; niece Emily Manne of Atlanta, Georgia; nephew Geoffrey Manne of Chicago, Illinois; grandchildren Benjamin, Elizabeth and Oliva Manne of Houston; and several aunts and cousins.

TRIBUTE TO DORIS ROSENBLUM

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mrs. MALONEY. Mr. Speaker, today I rise in a special tribute to Doris Rosenblum, a resident of the west side of Manhattan who dedicated over 35 years to improving the quality of life in her community. I am saddened to report that with her death on August 29, 1996, we lost an energetic and spirited activist who had a measurable and permanent impact on the neighborhoods and residents of Manhattan through her service to the public good.

Doris Rosenblum's activism was not limited to specific issues. She worked tirelessly to provide housing for poor and low-income people, for education, for schools, for cleaner streets, for the construction of community centers, and for many other causes throughout the 35 years of her dedicated advocacy work. Notably, Doris was the founder of the Stryker's Bay Neighborhood Association. She also helped organize West Side High School as a community-based alternative school and acted as the school's administrator from 1972 until 1979.

Doris served her community in an official capacity as well. From 1971 until 1990, Doris was a member of community board 7, and the board's district manager from 1983 to 1990. I am also proud to report that Doris received special recognition for her years of hard work when Manhattan Borough President Ruth Messinger appointed her the official historian for the borough of Manhattan.

I rise today, Mr. Speaker, to celebrate and pay tribute to the life's work of Doris Rosenblum, a person to whom we all owe a debt of gratitude. She is an example to each of us who have chosen to serve in the public interest and I ask my colleagues to join with me in honor of her relentless dedication to the good of her community.

MENTAL HEALTH COVERAGE

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. STARK. Mr. Speaker, in the past week, I have introduced two bills to improve mental health coverage. On Monday, September 9, I introduced the National Mental Health Improvement Act of 1996 which provides parity in insurance coverage of mental illness and improves mental health services available to Medicare beneficiaries. On September 10, I introduced a second mental health bill identical to the bill passed by Senator DOMENICI and others in the Senate on September 5 by a vote of 82 to 15.

Today, Representative LOUIS STOKES offered a motion to instruct the House conferees on the VA–HUD appropriations bill to recede to the Senate on several key amendments adopted by the Senate to the fiscal year 1997 VA–HUD appropriations bill. One key amendment on which the motion was based is the mental health amendment offered by Senator DOMENICI—the companion of which I introduced in the House on September 10. I applaud the efforts of Mr. STOKES and support his motion to instruct.

It is a tragedy that mental health parity was abandoned in the Kennedy-Kassebaum health insurance bill, and is a primary reason why I voted against the bill. The bills I introduced this week represent an urgently needed change in coverage to end discrimination against those with mental illness. The denial of equal treatment for the mentally ill is not about money—it's only about discrimination. The mental health need of all Americans can no longer be ignored.

THANK YOU, KATHY O'BRIEN, FOR YOUR LOYAL SERVICE

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. FIELDS. Mr. Speaker, it was with mixed emotions that I announced last December 11 my decision to retire from the House at the conclusion of my current term. As I explained at the time, the decision to retire was made more difficult because of the loyalty and dedication of my staff—and because of the genuine friendship I feel for them.

Today, I want to thank one member of my staff—Kathryn O'Brien, my staff assistant in my Conroe district office—for everything she's done for me and my constituents in the almost 4 years that she has worked in my office.

When Montgomery County was first added to the 8th Congressional District in 1993, I asked friends, business leaders and political leaders in Montgomery County if they could recommend someone to head up the Conroe office. Kathy came highly recommended as someone whose people skills and dedication to getting the job done would be a major asset to me as I worked to represent the men and women of Montgomery County in Congress.

Prior to working in my Conroe office, Kathy had worked as a legal secretary in the Montgomery County Attorney's office, where she handled a wide variety of legal duties. Her professional skills and her enthusiasm were widely recognized, and her skill at dealing with people was very much appreciated.

Kathy has used those skills effectively in my Conroe office, where she has assisted constituents throughout Montgomery County who have experienced problems with Federal agencies, including the Social Security Administration, the Department of Veterans Affairs, the Immigration and Naturalization Service, the Internal Revenue Service, and the Federal Emergency Management Agency. Through her efforts, lost Social Security checks have been located, immigration problems have been resolved, overdue military medals have been presented to veterans and disaster aid has reached those who needed it.

Kathy has represented me at events in Montgomery County I was unable to attend, and has relayed the concerns of constituents in Montgomery County to my district and Washington staff.

For 10 years, Kathy served with distinction in the U.S. Air Force as a communications specialist in Germany and Texas. With a top-secret clearance, Kathy helped prepare and transmit a variety of communications from her duty station. In the Air Force, she earned the Vietnam Era Service Award, the Expert Marksman Award, as well as her telecommunications certification. All of us appreciate the dedication to her country that Kathy exhibited as a member of the U.S. Air Force.

Kathy has lived overseas for much of her life, and has traveled extensively throughout Europe and the United States.

Kathy has yet to make a definite decision about what she wants to do in the years ahead. But I am confident that the skills and the personal qualities she has demonstrated as a member of my staff will lead to continued success in the future.

Kathy O'Brien is one of those hardworking men and women who make all of us in this institution look better than we deserve. She has done that for me, and I appreciate this opportunity to publicly thank her for the dedication, loyalty, and professionalism she has exhibited as a member of my staff.

Mr. Speaker, I know you join with me in saying thank you to Kathy O'Brien for her years of loyal service to me, to the men and women of Texas' 8th Congressional District, and to this great institution. And I know you join with me in wishing Kathy, her son Cesare Antonio, and her daughter, Valerie Anne, all the best in the years ahead.

RECOGNIZING BILL PENCE

HON. BILL BAKER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. BAKER of California. Mr. Speaker, according to the 19th century French physiologist Claude Bernard, ''The true worth of a researcher lies in pursuing what he did not seek in his experiment as well as what he sought.'' In other words, the true scientist seeks truth where he finds it, and does so diligently and doggedly.

That's a mission that has been fulfilled ably by Bill Pence, who has taught science in the San Ramon Unified School District for 20 years. Bill has been named 1 of 100 teachers nationwide to receive the Tandy Technology Award for his outstanding service to his students and to our country.

Bill has poured his life, his energy, and thousands of his own dollars into making sure his high school laboratory stays on the leading edge of research and technology. Moreover, he has actively sought help from the private sector, soliciting everything from personal computers to a thermocycler in order to facilitate the calibre of research he knows is vital to true scientific education.

In 1994, two of Bill's students gained national headlines when they discovered human genes that may be linked to cancer. The students, Yu Fong Hong and Li Ho, found this new data in a classroom experiment—an experiment made possible because of the dedication of Bill Pence.

It is with great pride and pleasure that I ask my colleagues to join me in honoring Bill Pence's commitment to the young people of my home district in the East Bay region of San Francisco and thank him for representing the best in American education. The future is brighter for thousands of young people because of Bill's work, and he merits our gratitude for all he has done for tomorrow's leaders.

TRIBUTE TO EMIL AND ROSE BIANCIELLA

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. TORRICELLI. Mr. Speaker, I rise today in order to congratulate Emil and Rose Bianciella of Bayonne, NJ, on their 50th wedding anniversary. This remarkable couple was married on August 25, 1946. They have been life-long residents of Hudson County, devoted to both their community and family.

The Bianciellas have enjoyed the joy of togetherness for five decades. Their love and dedication to each other and their family has been obvious to even the most casual observer. I believe their children, Rachel Libby and Joseph Bianciella, would say that they have been wonderful parents. Emil and Rose have also lavished their affection on their three grandchildren, Anthony, Kimberly, and Arianna.

In life, it is the special moments that should be cherished, and a 50th wedding anniversary is one of those times. I wish both of them another 50 years of wonderful matrimony.

THE ECONOMY

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, September 11, 1996, into the CONGRESSIONAL RECORD.

THE ECONOMIC OUTLOOK

As I travel around the 9th District, Hoosiers continue to ask me about the economy and its outlook. They wonder about the outlook for jobs and our international competitiveness, but most recognize that the economy is in better shape now than it was several years ago. They hear a lot about proposals to change our economic policy, stimulate growth through major new tax cuts, and ease up on our deficit reduction effort. They question whether this is the time to make a major change in economic policy.

On many measures, the economy today is in good shape. Unemployment is near a 25-year low, and so is inflation. The stock market is booming, growth of the overall economy is solid, and Federal Reserve officials have been optimistic enough about inflation to leave interest rates unchanged. Of course there are some problems. Income inequality has worsened over the past several years, and wages, which have been stagnant since the early 1980s, are just now starting to rise again.

But overall, progress has been made. In January 1993, the federal budget deficit was spiraling upward while the economy was in the slowest recovery of the postwar era. The President and Congress passed the 1993 deficit reduction package which has led to a dramatic drop in the deficit and has helped produce a steady, sustainable economic recovery. Critics were saying that the package would cause a recession and higher unemployment, but it has had just the opposite effect, boosting the economy in several key ways. My view is that whatever adjustments we might make to our economic policy, we should not waver from our central goal of reducing the deficit, balancing the budget, and creating the conditions for non-inflationary growth in the American economy. We must avoid policies that threaten to again balloon the deficit.

PERFORMANCE OF THE ECONOMY

Deficit Reduction

Washington has been obsessed with deficits for more than a decade. American voters have consistently rated the budget deficit as one of their top public policy concerns. So the good news is that the deficit has declined significantly since passage of the 1993 deficit reduction package. The deficit this fiscal year will be $116 billion. That's almost $50 billion less than last year and far below the deficit peak of $290 billion in 1992. That will make the deficit as a share of the economy, at 1.5%, the lowest since 1974, and the lowest of all the major industrialized countries. We must continue on to our goal of a balanced budget.

Economic growth

The pace of the current expansion of the economy is solid and modest, growing at a 2.5% rate since 1993. This is better than the 1.5% growth rate in the previous four years, and slightly above the average of the major industrialized nations. Growth in the second quarter of 1996 was at a robust 4.8% rate, but that should moderate in the last half of the year. After 65 months, the cycle of expansion that the economy is enjoying has already outlasted all but two of the other eight postwar expansions. Even so, the economy is growing in a balanced way, and inflation, which has killed off a number of previous economic expansions, has not occurred. Strong, non-inflationary growth will do much to improve the outlook for working Americans.

Jobs

Job growth continues to remain strong. The economy has created nearly 10 million new jobs in the last four years. Most of these were good jobs paying above-average wages, and most were in the private sector, an indication of a revitalized economy. In 1995, more than 50,000 net jobs were created in Indiana. Leading the way in Hoosier job growth was the manufacturing sector, with a 7% increase in employment. This means the strong rebound in manufacturing jobs is continuing, after heavy losses between 1989 and 1993.

Unemployment

Strong job growth has helped bring the unemployment rate down to its lowest level in years. Since the beginning of 1993, the national unemployment rate has dropped from 7.1% to 5.1%. In Indiana, the news is even better, where the economy has outperformed the national economy, resulting in an unemployment rate of just 4.2%. Experts expect the unemployment rate to remain steady through 1997.

Inflation

Inflation, which peaked at 6.1% in 1990, has remained below 3% in recent years. During 1995, the inflation rate was only 2.5%, and it is expected to remain around 3% through 1997. The Federal Reserve has done a good job of keeping inflation in check.

Productivity

While not as robust as in the 1950s and 1960s, productivity continues to show solid gains, and the United States remains the most productive nation in the world. The lower interest rates resulting from deficit reduction have boosted business investment and productivity.

Wages

A continuing problem is that while we have created millions of new jobs and the national income is rising, wages for the average family have not kept pace with inflation. Since 1968, while the incomes of middle class and poor families have dropped in real terms, the income of households in the top 20% of the population has increased by almost 50%. Although there are signs that wages for the average worker have begun to improve, our policies must ensure that all Americans benefit from economic growth. The recent increase in the minimum wage is a positive step in the right direction.

Trade deficit

Another disappointment is the trade deficit. Even though the U.S. is exporting a record amount of goods and services, we still import over $100 billion more than we export. This trade gap is expected to narrow as improved economic growth in Europe and elsewhere improves the ability of other countries to buy U.S. products. And recently the monthly trade deficit did improve by 20%.

We have made significant progress in the last four years, and most forecasters expect the economy to continue on its path of modest growth, low inflation, and low unemployment. That is good news. We have to continue working to reduce the budget deficit. But, we must do it in a way that does not jeopardize our economic gains. We need to make sure that any proposed tax cuts are fully paid for, up front, and do not balloon the deficit. We have to continue investing in education, research, and infrastructure. These are things that help build a foundation for the long-term economic health of the country. The bottom line for me is that the policies we follow should improve the lives of average working families. I think we are on the right path, but there is more work to be done.

AMERICA'S VETERANS DESERVE BETTER THAN THE CLINTON ADMINISTRATION

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. SOLOMON. Mr. Speaker, 4 years ago, then Governor Clinton campaigned as if he would be a great defender and proponent of America's veterans, their benefits and their role in his administration. Now, as is the case with many other campaign promises and claims he has levied, his record says differently.

From the constitutional amendment to prohibit the physical desecration of the American Flag, to the employment of veterans at the White House and in his administration, President Clinton has repeatedly proven himself to be a disappointment to so many veterans who believed he was on their side in 1992. Even when it comes to financing the VA hospitals that provide critical health care to service-disabled veterans, President Clinton cannot compare to the record this Congress has shown. In fact, the congressional budget would spend $10.6 billion more than the President over the next 6 years and the House has proposed spending $60 million more on veterans health care than the President in 1997 alone.

The following article which appeared in the August 26, 1996 edition of Insight magazine outlines perfectly the feeling of abandonment many of America's courageous veterans feel as a result of this President's actions, or inactions. Clearly, President Clinton's record on veterans issues says more than his rhetoric.

LAST LINE OF DEFENSE

(By David Wagner)

Many Vietnam-era veterans rallied around Bill Clinton during his campaign for the White House. Now some are wondering if the president is a deserter in their battle for those who served.

In 1992, Lewis B. Puller, Jr., a severely wounded Vietnam veteran and son of legendary Marine Gen. ''Chesty'' Puller, won the 1992 Pulitzer Prize for his autobiography Fortunate Son: The healing of a Vietnam Vet. On May 11, 1994, he committed suicide.

At the time, Puller had been working with John Wheeler—president of the Vietnam Children's Fund, chairman of the committee that raised funds to build the Vietnam Veterans Memorial and author of Touched With Fire: The Future of the Vietnam Generation. The two were trying to obtain from the Clinton White House an accounting of its records of hiring veterans for senior positions.

Puller and Wheeler had supported Bill Clinton in 1992 and had helped rally vets to the militarily challenged Democrat's candidacy. For instance, Wheeler wrote an op-ed that appeared in USA Today during the 1992 Democratic primaries rebuking then-candidate Sen. Bob Kerrey of Nebraska for exploiting his Vietnam experience in the race against Clinton.

Puller and Wheeler had expected that once the new administration was in office it

would reciprocate by hiring vets for senior positions in rough proportion to their numbers in the workforce. But they received no hiring data—just a part-time appointment for Puller to the Battle Monuments Commission.

Further evidence about the attitude of the new administration toward the military unsettled Puller and Wheeler. There was, for instance, the incident in which a general officer, greeting a new White House staffer, was told insultingly, ''We don't talk to people in the military around here.''

Wheeler points out that Puller had many personal problems at the time of his suicide, so the perceived stonewalling by the White House was unlikely to have been the sole source of Puller's final depressive episode. But, says Wheeler, it took its toll. ''One of the last things Lew ever said to me was, 'I feel used by Clinton.' ''

According to figures that Wheeler since wrung from the White House, 4 percent of the political appointees in the Clinton White House are veterans. He notes for comparison that 59 percent of senators, 40 percent of representatives and 37 percent of men over age 35 in the nationwide workforce are vets.

Furthermore, there were 132 male veterans and one female veteran in Senate-confirmed positions in December 1994 under Clinton. In December 1992—while President Bush still was in office but after many of his appointees already had left for greener pastures—there still were 189 male veterans in Senate-confirmed positions.

''Using Bush levels as a baseline,'' says Wheeler, ''Clinton cut total vets by 57 and added 76 women and 64 nonvet men. For the Vietnam generation, Clinton cut vets by 12 and added 75 women and 105 nonvet men. Room for the increases in women and nonvet men was made by cutting out only vets.''

Obtaining even such limited numbers, says Wheeler, was an ordeal that began with polite letters and escalated into a Freedom of Information Act, or FOIA, request. This led to a White House meeting and was followed by more stonewalling.

Leading veterans' organizations do not see the problem in the same terms. Bill Smith, a spokesman for the Veterans of Foreign Wars, or VFW, told Insight: ''This administration is not antiveteran at all. Jesse Brown, secretary of Veterans Affairs is earnestly working in the interests of vets. In an age of budget cutbacks, VA has fared well.''

On the question of whether customary numbers of veterans are being hired for senior positions, Smith says that though he has seen no surveys, he is not aware of any discrimination. ''Compare the administration with the Congress: There are fewer vets there too.''

''I'm not surprised he's seen no surveys,'' says Wheeler. ''I still haven't gotten the information I've been promised, and I've been at it for almost three years. Look, the VFW is a venerable organization, but its job is to look after veterans' benefits, not veterans' values. There are about 26 million American veterans altogether. About 4 million of them are primarily interested in benefits, and the mainline vet organizations represent them very well. But the rest of us are more interested in the values represented by military service: sacrifice, country, freedom, the reality of things beyond your immediate circle that are worth dying for. These values are traditional . . . and they are the antithesis of the life the Clintons live.''

Those values issues could have an electoral spillover. ''These guys helped put Clinton over the top in 1992,'' says Wheeler. ''If they desert him in '96, he could yet lose this election. Strange, but no one has done any polling of vets on their presidential preferences. The mainstream vet organizations are scared of what they'd find.''

The VFW's Smith says his organization hasn't conducted any veteran polling. ''We're nonpartisan, not a PAC—but I haven't heard of any of the veteran PACs having any poll numbers either.''

For Wheeler, the Clinton administration's good record on veterans' benefits supports, rather than contradicts, his overall theory: ''The Clintons want their vets to be victims, not partners. They want to be photographed in attitudes of pitying kindness toward veterans, but they don't want them as colleagues in the Executive Office of the President. They've done some good for vets on the benefits side of things, but when it comes to recognizing vets as anything more than just another victim class, this administration shows its antiveteran face.''

On April 17, 1994, in a letter to then-White House counsel Lloyd Cutler, Wheeler filed a FOIA request for the vet hiring data. This request led to a White House meeting on June 22, 1994, attended by Clinton administration officials Jody Greenstone and Steve Hilton, representing Cutler, and Bob Bell, of the National Security Council staff. At this meeting, as a settlement of Wheeler's FOIA request, the White House agreed to supply him with requested information.

Some information has, in fact, been rolling into Wheeler's mailbox. He now receives quarterly reports on the hiring of veterans for the approximately 850 Senate-confirmed slots. As per Wheeler's request, this information is broken down by gender and age. But Wheeler still is awaiting information on vet hiring in the Executive Office of the President, despite agreement at the June 1994 meeting that this information is public and despite the fact that the White House's promise to provide it was offered as part of a settlement of the FOIA request.

Besides the question of hiring, three Vietnam vets whose sons were killed in Somalia still are waiting for an adequate accounting of the decisions that may have placed their sons in unnecessary danger, such as the decision to exclude tanks from the Somalia mission.

Army Ranger Cpl. Jamie Smith bled to death during a battle in Mogadishu, Sgt. Casey Joyce and Cpl. Dominic Phila, both soldiers, also died there on the same day: Oct. 3, 1993. Thereafter, the Smith and Pila families worked together with retired Lt. Col. Larry Joyce, Casey's father, to learn what led to those tragic events.

Joyce tapped his Pentagon contacts and reports that the field commanders in Somalia had requested tank support, that the request had been approved up the chain of command through the Pentagon—and that it had been denied at the White House level for reasons that were political rather than military: The administration wanted to avoid the appearance of escalating the Somalia mission.

Joyce composed a handwritten letter to Clinton and had it delivered through a White House contact. On Nov. 19, Joyce recalls, the president called him and said a meeting would be arranged for the following week—but no further calls came.

On Dec. 15, 1993, the day Defense Secretary Les Aspin resigned, about a half-hour before the resignation announcement, Joyce received a call from presidential assistant Betty Currie assuring him that the president still wanted to meet with him. Joyce says he suspects this call was made to forestall his potential criticisms of military decisions taken on Aspin's watch, including the fatal mistakes in Somalia, for which some say Aspin had been made to take the fall.

Currie tells Insight that she cannot remember calling Joyce on that particular day. ''But if he said so,'' she adds, ''it's probably true.''

In March 1994, Joyce, retired Capt. Jim Smith and retired Sgt. Ben Phila met with Democratic Sen. Sam Nunn of Georgia, at that time the chairman of the Senate Armed Services Committee. Nunn scheduled a hearing, with Joyce and Smith as witnesses, for May 12, 1994. on May 11, as Capitol Hill committee procedure requires, they faxed their written testimony to Nunn's committee—and within an hour of sending the fax they received a call from the National Security Council asking them to meet with the president the next day.

By this time, testifying before Nunn's committee was a higher priority for the bereaved fathers than meeting with the president. But on the morning of the hearing, the schedule was juggled so Joyce and Smith would testify after lunch. Then, during the hearing's luncheon break, they were taken to a limo, whisked off to the White House and deposited in the Oval Office with Clinton, National Security Adviser Anthony Lake and senior White House aide George Stephanopoulos.

Joyce says that during the meeting he found Clinton arrogant, insensitive and anxious to retain control of the conversation. Stephanopoulos hung back near the door, looking annoyed, according to Joyce, and frequently checked his watch.

The line the president took was that he had relied upon his military commanders and had not wanted to make former President Johnson's mistake of trying to micromanage military operations from the Oval Office.

Joyce seized on a pause in the president's word flow to ask if it were true that at the time that Casey Joyce, Jamie Smith and Dominic Phila were killed, Clinton already was working on a diplomatic solution brokered by former President Carter, using Carter's contacts with Somalian ''warlord'' Gen. Mohamed Farah Aideed, and that Clinton had accepted Carter's opinion that a military solution in Somalia would not work?

Joyce says Clinton acknowledged all this.

Joyce then asked why a raid aimed at capturing Aideed had been carried out on Oct. 3. ''He was stunned at the question,'' Joyce tells Insight. ''He then said: 'On Oct. 3, I asked Tony Lake the same question.' But later, after that meeting, I asked Gen. Colin Powell whether the military had been told of any change in the Somalia strategy, and he said no, it had not.''

Joyce says that, publicly and privately, the Clinton administration ''is sticking to a canned response that says the operation in Somalia saved lives and therefore our boys did not die in vain. But the lifesaving part of the mission was the humanitarian part, which ended in March of '93. The rest—the part our sons died in—was just President Clinton's participation in Boutros Boutros-Ghali's personal vendetta against Aideed.''

Throughout the 45-minute meeting, says Caroline Smith, Jamie's mother, ''the president never acknowledged any responsibility whatsoever. He was sorry, of course, but as far as taking responsibility, he diffused it all over the place.''

The White House referred calls on all these matters to the VA. VA spokesman Jim Holly tells Insight that the Clinton administration's record on veterans' benefits and veteran hiring makes this ''the most pro-vet administration since FDR signed the GI Bill.''

On July 28 the president told a Disabled American Veterans conference in New Orleans: ''We're still around because of you.''

But others besides Wheeler are alarmed at the plight of veterans. On July 31, Rep. John Mica, a Florida Republican, shepherded the Veterans Employment Opportunities Act of 1996 through the House. The bill would strengthen veteran preferences in federal

hiring and allow vets in federal employment to appeal adverse actions to the Merit Systems Protection Board.

''Right now,'' Mica tells Insight, ''veterans are the last hired, first fired.''

But for Wheeler the issue is not filling quotas, but showing respect. ''I'm not trying to obtain a given number of senior White House jobs for veterans,'' Wheeler says, ''I'm trying to confirm or disprove a growing impression that this White House doesn't want veterans in its face.''

In a National Public Radio interview on March 14, 1994, Puller observed: ''Clinton came in with a lot of baggage. His draft record back in the sixties; he went to Yale Law School, where virtually no one served; so, I sense sort of a 'we-they' mentality there.''

''I know a number of years ago,'' Puller continued, ''somebody said there's an unbridgeable gulf between those who served and those who didn't serve in the Vietnam War. I don't believe that any more, but I feel like veterans have made more of an effort to be accessible to Clinton, and to his administration, than his administration has to be accessible to them.''

Instead of accepting Puller's outreach, Wheeler says, this White House has comported itself toward veterans as though inspired by a remark of Shakespeare's great villain, Iago: ''He hath a daily beauty in his life that makes me ugly.''

A POINT OF LIGHT FOR ALL AMERICANS: DAVID MINKIN

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. OWENS. Mr. Speaker, I rise today to honor David Minkin, an individual whose concern for his fellow man and worthy philanthropic pursuits over the past six decades have earned him the love, respect, and gratitude of the many individuals he has touched. His life is a testament that human compassion is a factor that matters most in life. Mr. Minkin is a point of light for all Americans.

Throughout his professional life as a real estate developer, builder owner and manager, Mr. Minkin has been viewed by those with whom he has been associated with as a fair, sincere, and loyal person. However, it has been his philantrophic deeds that have earned him the greatest respect and admiration of those whose lives he has touched.

For the past 64 years, David Minkin has worked tirelessly in improving the health care for the residents of the Flatbush section of Brooklyn by continuing the fundraising efforts for the Kingsbrook Jewish Medical Center begun by his parents Rose and Bernard Minkin in 1932.

Throughout the past six decades, Mr. Minkin has held many key offices at the facility. He served as president of Kingsbrook until 1995 when he stepped down to assume the role of president emiritus and he remains the faculty's chief benefactor, leading fundraising efforts and contributing millions of dollars for the center.

Mr. Minkin's first major contribution to Kingsbrook was the construction of an acute care facility named in honor of his parents in 1967 in which he raised and personally contributed several millions of dollars. He later spearheaded the construction of the last three buildings of the nine-building Kingsbrook complex.

During his life David Minkin has been recognized for his contributions to a broad spectrum of religious, cultural, educational and social service agencies, institutions, and organizations. His participation and recognition for many of these worthy efforts cross religious boundaries with recognition in the Catholic community as well as in his own Jewish faith.

In 1976 Kingsbrook named a facility for skilled nursing care and rehabilitation services, the ''David Minkin Rehabilitation Institute'' in honor of his contributions and dedicated service to the facility. In addition, David was awarded the Medical Society of the County of Kings 19th Annual Citizen's Award, in appreciation of his tireless efforts in improving the health and well-being of the citizens of Brooklyn through his unstinting devotion to Kingsbrook Jewish Medical Center.

Among his many other honors, David was awarded the Prime Minister's Medal from State of Israel Bonds, as well as the Ubi Caritas Award from Catholic Charities. A generous contribution to the Catholic Charities of Brooklyn and Queens resulted in a residence that would provide 100 units of supportive housing for the elderly. In appreciation the organization named the facility in David Minkin's honor.

At a time when charitable giving is decreasing, it is appropriate that we join his friends and family in celebrating this point of light for all Americans—David Minkin.

THE EPA CLUSTER RULE

HON. ALAN B. MOLLOHAN

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. MOLLOHAN. Mr. Speaker, I want to join my colleagues in support of the direction taken by the U.S. Environmental Protection Agency on the Cluster Rule for the pulp and paper industry. On behalf of my constituents who are employed by the paper and forest products industry—one of West Virginia's five major economic sectors—I urge the EPA to promptly finalize a Cluster Rule.

I am very pleased that on July 15, 1996, the EPA published in the Federal Register information on two technology options for final guidelines for bleached papergrade kraft and soda mills based on best available technology under the Cluster Rule. In this notice, the EPA stated that complete substitution of chlorine dioxide, identified as Option A in the proposal, should be given the same consideration as oxygen delignification coupled with complete substitution of chlorine dioxide, identified as Option B. In fact, the EPA stated in this proposal that ''both options appear to reduce dioxins and furans in wastewaters to concentrations at or below the current analytical minimum levels.''

In the first district of West Virginia, about 900 people are employed at the Luke Pulp and Paper Mill. Luke, which meets the requirements of Option A, is one of the Nation's largest paper mills. I understand that Option B would cost this mill, which in the past 5 years has spent over $45 million on environmental protection improvements, an additional $100 million.

I compliment and thank the Agency for the direction they have taken to provide for the fullest possible protection of the environment while at the same time ensuring that the final rule will not place on unreasonable cost burden on the pulp and paper industry. This approach demonstrates regulatory flexibility at its best.

I rise to join my colleagues in an endorsement of Option A.

TRIBUTE TO GEORGE SWEENEY

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Ms. DELAURO. Mr. Speaker, on Thursday, September 12, 1996, George Sweeney will be honored with a retirement dinner. George has served the New Haven Fire Department for more than 39 years.

George's career with the New Haven Fire Department began in 1957 when he was assigned to Engine Company 4 at the Central Station. He served in this capacity until January 26, 1977 when he was promoted to lieutenant. While he was with Engine Company 4, he was commended by the board of fire commissioners for his actions at a four alarm fire at the Yale Art & Architecture Building on June 14, 1969. In the following years, George served with a number of companies including Hook and Ladder Company 3, Lombard Station, Engine Company 7, Lombard Station, Engine Company 10, Lombard Station, Engine Company 15, Fountain Station, Hook and Ladder Company 5, Fountain Station. In 1991 he became the acting supervisor of records and operations at the Motor Apparatus and Building Maintenance Division.

Firefighting is a career which demands incredible dedication, courage and bravery, and a deep commitment to helping others. Firefighters are public servants in the truest sense. They risk their lives every day to protect citizens. During his tenure with the New Haven Fire Department, George was awarded a meritorious citation for his part in a heroic attempt to rescue two children from the second floor of a three story building. George's actions speak to his immeasurable sense of responsibility for the citizens of New Haven. George is also the recipient of three unit citations. He has been honored by the Connecticut State Fireman's Association in 1992 in recognition of 35 years of service and he was named Firefighter of the Year in 1995 by the New Haven Block Watch Association.

George Sweeney has devoted himself and his life to a career as a firefighter for the city of New Haven. For over 39 years George has served the people of the city. In that time he has truly made a difference in people's lives, in some cases his efforts have meant the difference between life and death. I am proud to join George's family, friends and colleagues as they honor him on his retirement. He deserves our deepest thanks and appreciation.

''PITCHING SOCIALISM''

HON. JOHN J. DUNCAN, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. DUNCAN. Mr. Speaker, many taxpayers around the Nation are being ripped off by mega-millionaire sports team owners who are getting lavish stadiums built largely at public expense. We do not do this for other businesses and should not for sports teams either.

To show how bad these deals are for the taxpayers, I would like to urge my colleagues and other readers of the RECORD to read the following National Review article, ''Pitching Socialism,'' by Raymond J. Keating.

[From the National Review, Apr. 22, 1996]

PITCHING SOCIALISM

(By Raymond J. Keating)

As a federal prosecutor and now mayor of New York, Rudy Giuliani has taken on Wall Street, the Mob, even a number of powerful city unions. But when it's time to talk baseball with George ''The Boss'' Steinbrenner, Giuliani goes weak in the knees.

That's because Steinbrenner is threatening to move the Bronx Bombers to New Jersey unless he gets a new, taxpayer-financed stadium. In a city that has already endured the traumatic departure of the Dodgers and Giants for the West Coast, this bit of brinkmanship is taken quite seriously. The mayor's office, in fact, has suggested the city might be willing to shell out as much as $1 billion for some choice real estate and a new stadium.

The New York Mets like the sound of this action. They are suggesting that a mere $100 million, to help fund a new stadium with a retractable dome, would keep them from moving out to the Long Island suburbs.

While no other city—or state, for that matter—has even considered forking over $1.1 billion to subsidize multi-millionaire owners and athletes, stadium socialism is a serious problem across the nation. Maryland taxpayers, for example, are being socked for almost $300 million—some of the money to partly finance a new stadium for the Washington Redskins, and some to fully finance a new stadium for the former Cleveland Browns.

The public in general does not support such plans, despite the popularity of professional sports. A national poll conducted by Media Research & Communications recently found that 80 percent of Americans oppose the use of their tax dollars for sports stadiums and arenas.

The politicians, however, mesmerized by the glamour of pro sports and the prospect of increased revenue, seem determined to have their way. Very rarely do elected officials schedule referenda on government financing and ownership of sports facilities. And in some instances, when they have done so and the votes have not gone their way, they have changed the rules in mid game. Last September, Seattle voters turned down a proposal that would have hiked taxes to pay for a new stadium for the Mariners and for repairs to the Kingdome, home of the Seahawks. A month later, state and local officials ignored the vote and approved a $320-million plan for the Mariners' park.

The economic justification for government-financed sports facilities has always been based more on spin than on substance. First, the team or elected officials will hire a consulting firm to produce studies predicting substantial economic benefits from a new stadium or arena. These studies rely on the Keynesian notion of an ''economic multiplier''—the justification for every government ''stimulus project'' in the past half-century. The calculation works by taking the dollars ''invested'' in building a facility, adds an estimate of money to be spent by spectators at each event, and multiplies the results by an additional number to arrive at an estimate of increased economic activity.

The problem is that the multiplier effect is all but impossible to measure accurately. Judgments about the catalytic effects of dollars moving through the economy amount to nothing more than statistical guesswork (a dirty little secret of the economic profession). Indeed, it is doubtful that any real multiplier effect occurs at all, because of something called the ''substitution effect.''

Simply put, the substitution effect holds that leisure dollars—that fairly limited amount of income that a family will devote to entertainment—will be spent one way or another. If there is no ballpark for a family to go to, then it will spend those dollars on some other activity, like a movie or a concert. Government-funded stadiums, then, turn out at best to be zero-sum games—a simple shifting of limited resources.

This larger economic picture, however, is usually lost on politicians bedazzled by the bustling markets for red hots and frozen yoghurt in places like Camden Yards and Jacobs Field.

The politicians are also oblivious to the negative effects of the higher taxes needed to pay for these facilities—like rising private-sector costs and diminished incentives for working, investing, and risk-taking. Government ventures usually wind up being net economic losses in the long run.

The Toronto Skydome, opened in 1989, is a prime example. A recent report from the Pioneer Institute notes that as the Skydome was constructed, cost overruns boosted the Ontario taxpayers' portion of the total bill from $120 million to $322 million. The government's share in the Skydome was eventually privatized in 1992 for $120 million—a considerable loss.

A spate of books, as well as independent studies from groups like the Heartland and Pioneer Institutes and the Brookings Institution, have expressed skepticism about economic growth owing to taxpayer-funded sports facilities. The most recent study, a 1994 Heartland Institute analysis conducted by economist Robert Baade, concluded that ''professional sports is not statistically significant in determining economic growth rates.'' There is ''no support for the notion that there is an economic rationale for public subsidies to sports teams and stadium and arena construction.'' Sports teams and their facilities are largely byproducts, not sources, of economic growth.

Two other negative effects of government-owned sports facilities have become painfully obvious. First, because teams rent rather than own their stadiums, they are turning into transients, tearing up community roots (witness the Cleveland Browns) in a dash for new taxpayer-financed stadiums, relocation payments worth tens of millions, and even taxpayer-guaranteed profits (as in the deal that enticed the Los Angeles Rams to move to St. Louis).

Second, team owners and players, insulated by taxpayers from the cost of stadium financing, are doing extremely well without having to exert themselves to meet the demands of their market. Fans know intuitively that something is wrong when mediocre ballplayers sign multi-million-dollar deals, or ticket prices remain the same when the team is forty games out of the playoffs.

Despite general public disapproval and a lack of supporting economic arguments, even a number of conservatives have pushed for government financing of sports facilities. Leading welfare reformer Gov. Tommy Thompson of Wisconsin has kept the Milwaukee Brewers on the dole, lobbying hard for a new taxpayer-financed ballpark. And Massachusetts Governor William Weld's support for a government-financed stadium/convention center in Boston calls into question his self-proclaimed supply-sider status. Even George Will has gone native. In the January 22 Newsweek, he wrote favorably of the state-built home of the Baltimore Orioles.

While real conservatives have to love the tradition of the ballpark—the game, the hot dogs, the chatter—sentiment shouldn't dim our rationality. Markets work. If new stadiums and arenas have economic value, individuals acting in the marketplace will see that such facilities are built without any government intervention. San Francisco voters, in fact, have held fast. They have voted down taxpayer-funded stadiums on four separate occasions, and now the Giants are privately financing a new ballpark. Rudy Giuliani and his counterparts across the nation should take note, and stand up to Boss Steinbrenner and the other owners. When it comes to corporate welfare, just say no.

THE 2000 CENSUS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, August 21, 1996 into the CONGRESSIONAL RECORD.

THE 2000 CENSUS

The results of the year 2000 census will provide a snapshot of America. The census—which collects information not only on population, but on race, income, housing and family size—will affect all Americans. The changing nature of America, as reflected in the 2000 census, will alter the political and economic realities of the United States for decades to come.

The Constitution requires that the population be counted every ten years. Census results determine the number of seats each state has in the U.S. House of Representatives. Boundaries of congressional and state legislative districts, as well as school boards and city council districts, are redrawn based on census data. Federal aid to states is based on population figures. The census also benefits the private sector by providing businesses with information about consumers.

PROBLEMS WITH THE 1990 CENSUS

The Census Bureau is exploring new approaches to gathering information for the 2000 census. Previously, the Census has counted the number of Americans by, first, sending questionnaires to every known address in the country and, second, by sending ''enumerators'' door-to-door to try to get responses from people who did not respond to their questionnaires.

There is general agreement that this approach had its drawbacks in the last census. It proved very costly, and missed many people, 4 million citizens by one estimate. Undercounting was a particular problem in rural and inner city areas where people tend to be harder to reach. In addition, fewer people responded to the questionnaire. The number of responses dropped from a 1970 level of 85% to 63%. The Census had to hire additional enumerators to count those who didn't respond, adding significantly to the cost of the census. All told, the 1990 census

cost $2.6 billion, and if the census were conducted in the same manner in the year 2000, the cost could rise to about $4.8 billion.

NEW APPROACHES FOR THE 2000 CENSUS

The Census is proposing to take a different approach for the 2000 questionnaires, but plans to distribute them more broadly. Forms will not only be sent in the mail, as before, but be made available at grocery stores, churches, schools and community centers. The agency is also investigating whether the public could respond by telephone or via the Internet.

Furthermore, the Census hopes to encourage greater response by redesigning the form to make it easier to distinguish from junk mail and make it less intimidating. The number of questions on the short form will be cut from 17 to 8, and on the long form (which is sent to 1 in 6 households) from 59 to 55. The questionnaire will also explain why the government needs the information. A form being tested, for example, explains the data will help the government and communities plan education and health care services and distribute highway funds.

The most controversial aspect of the Census plan is its proposed use of ''sampling'' to count the population in 2000. In previous censuses the bureau made an actual head count of citizens using mail-in forms and enumerators, but this approach was missing an increasing number of people. For the 2000 census the agency plans to use mail-in forms and enumerators until 90% of households in a given county have been counted. Then a statistical sample of 10% of the remaining households will be selected, and enumerators will be sent, repeatedly if necessary, to count them. The results will be used to estimate the total number of those who were originally missed.

The Census says that this approach will improve the accuracy of its population count and reduce costs, as there will be less reliance on using enumerators. Critics respond that use of sampling is unconstitutional because the Constitution calls for an ''actual enumeration.'' Decisions in lower federal courts, however, have upheld the use of sampling so long as it supplements, and does not replace, an actual count, but the Supreme Court has not yet ruled on the matter. Congress also continues to debate the issue.

JEFFERSONVILLE FACILITY

Jeffersonville is home to the second largest Census facility in the country. The Data Preparation Division supports about 175 Census Bureau projects, including the decennial and agriculture-economic censuses. The division assists in the assembly and mailing of questionnaires; the reproduction of working and training materials; receiving, editing, coding and problem resolution of data; data entry and microfilming; and the management of Census records.

The Jeffersonville facility will play an important role in the collection of data for the 2000 census. It currently employs over 1370 workers, but that number will rise to handle the increased workload for the census. In addition to its normal data-gathering activities, Jeffersonville will be responsible for high-tech processing of census information.

I opposed a funding bill for Census and other activities in the Commerce Department because it provided inadequate resources for the agency as it prepares for the 2000 census. The House bill would force delay in education and out-reach efforts aimed at increasing the number of households which respond to the census. It would also deny much needed increases for current economic statistics. I will work to increase the funding level for the Census Bureau as congressional debate continues on this appropriations bill.

CONCLUSION

I appreciate the outstanding work done by Census employees in Jeffersonville and around the country. The decennial census is an important event, and its outcome has profound consequences on planning for the future, on the distribution of federal aid, and on the make-up of congressional districts in the next decade.

The Census Bureau is working to respond to new challenges. Most would acknowledge that the 1990 census had its shortcomings. The decennial census will always be an enormous and complex undertaking, but changes must be made to make it more accurate and cost-effective, particularly in an era of severe budget constraints.

I strongly support efforts to simplify the census questionnaire and improve distribution. We must also work to educate a new generation of Americans about the importance of responding to the census so that mail-in rates improve. I agree that steps must be taken to address the problem of undercounting. My preference is to improve the actual count rather than rely on statistical sampling, but recognize that Census may have to consider new approaches to produce a more accurate count.

L.A. TIMES EXPOSES PRESCRIPTION FRAUD; H.R. 2839 IS ONE WAY TO REDUCE ABUSE, SAVE LIVES

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. STARK. Mr. Speaker, the August 18, 1996 Los Angeles Times contained an excellent article on the massive amount of prescription drug fraud in our society and the deaths and illnesses it causes.

Last year, I introduced a bill, H.R. 2839, to encourage a medication evaluation and dispensing system which would stop much of the abuse of the prescription drug market, save lives, and avoid billions of dollars in medical injuries and expense. Last week, I described how the General Accounting Office recommends this type of program for the Nation.

Today, I am entering in the RECORD the L.A. Times story which documents the enormity of the problem and its cost to our society. I hope the passage of a bill like H.R. 2839 will be a priority of the next Congress.

[From the Los Angeles Times, Aug. 18, 1996]

PRESCRIPTION FRAUD: ABUSING THE SYSTEM

(By Dan Weikel)

Millions of pills are being illegally resold on the streets. Some see a double standard in leniency toward doctors and the rich and powerful who overuse drugs.

Along one massive front of the war on drugs, where fortunes are amassed and lives destroyed, barely a skirmish has been waged.

Every year, hundreds of millions of prescription pills flow into the nation's illicit drug market, creating a giant cornucopia of painkillers, stimulants and tranquilizers. They are believed to be among the most abused substances in the country, even rivaling the estimated use of cocaine and crack.

But in California and elsewhere, only a few agents, often equipped with the most lenient narcotics laws, investigate the illegal trafficking of powerful pharmaceutical by doctors and others. In this backwater of enforcement, recognition comes hard and frustrations abound.

''There is just no glory in it—no guns, no piles of coke, and no bundles of cash to stack up for the TV cameras.'' said Special Agent Walter Allen III of the state Bureau of Narcotic Enforcement, who supervises prescription fraud cases.

It seems the only time prescription drug abuse gets serious attention is when a celebrity tumbles—be it Betty Ford, Elizabeth Taylor or superstar producer Don Simpson, who died of an overdose in January from a lethal mix of cocaine and 20 prescription drugs.

In an extraordinary effort, authorities from local, state and federal law enforcement agencies are investigating more than a dozen doctors suspected of unlawfully supply prescription drugs to the producer of such hits as ''48 Hours,'' ''Top Gun'' and ''Beverly Hills Cop.''

On Friday, the offices of two of those doctors, both psychiatrists, were raided by investigators. The home of one also was searched.

''Abuse of prescription drugs is a serious problem in our society, but nobody pays attention until somebody big and powerful like Don Simpson drops dead,'' said Steve Simmons, the California Medical Board's senior investigator on the case. ''But this kind of thing happens all the time to lots of regular folks.''

Even when law enforcement resources are marshaled, the returns often are small. No more than two dozen doctors, dentists and pharmacists are prosecuted annually for prescription drug offenses, case records show. Most get probation and stay in practice, largely because it is harder to prosecute a professional in a white coat than a street-corner pusher.

In California, about three of four physicians convicted of a prescription drug crime keep their licenses. Users often do more time in jail.

''There are two kinds of justice in this system,'' said former state narcotics agent Paul K. King, who worked on prescription fraud in Los Angeles County for 10 years. ''One for doctors, and one for everybody else.''

Take the case of Dr. Eric C. Tucker, whom state narcotics authorities suspected of illegal trafficking after scrutinizing prescription records.

Before his arrest in 1991, court records show, Tucker issued more than 7,000 questionable prescriptions for the stimulant Preludin and another 7,600 for Dilaudid, so-called drugstore heroin, an addictive pain reliever that fetches up to $100 a pill on the street.

More Dilaudid was coming out of Tucker's Montebello office every year than at County-USC Medical Center, the West Coast's largest public hospital.

Tucker, than 59, pleaded guilty to two felony counts of prescription fraud and lost his medical license. Although responsible for flooding the illegal market with hundreds of thousands, if not millions, of dangerous pills, he was sentenced to eight days in jail.

In contrast, Daniel G. Siemianowski, 38, of Los Angeles, a low-level street dealer and first-time offender, was prosecuted about the same time as Tucker. Police arrested him with about four ounces of crack and powder cocaine on the front seat of his car—a speck compared to the doctor's goods. Siemianowski's sentence: a year behind bars.

About 2.6 million people in the United States use prescription painkillers, stimulants, tranquilizers and sedatives for ''non-medical reasons''—more than the estimated use of heroin, crack and cocaine, according to surveys by the National Institute of Drug Abuse. Only marijuana is more popular.

Users run the gamut from street addicts to senior citizens who mix afternoon cocktails

of tranquilizers, and even teenagers who sell their doses of Ritalin to classmates.

Some combine prescription drugs with illicit narcotics to enhance the high. Others use tranquilizers to soften the crash from cocaine and heroin, helping them sustain their habits. For many others, pharmaceuticals simply are their drugs of choice.

Sandra K. Bauer, a member of the California Board of Pharmacy, knows how easy it is to fall to prescription drugs—and how complacent regulatory and law enforcement agencies sometimes can be in searching out the truth.

In 1990, before Bauer joined the board, her 34-year-old sister collapsed after injecting three times the lethal amount of Demerol—synthetic morphine. Although the coroner found needle marks on her arms and thighs, police had accepted her husband's explanation that she had suffered from terminal cancer.

''I told him that was ridiculous,'' Bauer recalled of her conversation with the detective. ''There was no cancer.''

Bauer insisted that authorities take anotyher look because her sister was a drug addict. During a search of her sister's home, police discovered shelves full of syringes, tranquilizers and potent painkillers.

''It was classic middle-class drug abuse,'' Bauer said. ''You go to a doctor and get a bogus prescription. Then you get the pharmacy to fill it, and have your insurance company pay for it all. No one suspects anything.''

To ensure a thorough investigation of her sister's death, Bauer lobbied state legislators, high-ranking law enforcement officials, journalists and officials on the state pharmacy and medical boards. As a result, two doctors and two pharmacists lost their licenses.

''Had I not intervened, my sister simply would have been buried—end of story,'' she said.

Even then, Bauer did not back off. Through a friend who was the appointments secretary for then-Assembly Speaker Willie Brown, she maneuvered her way onto the state pharmacy board in 1992. Bauer has been working ever since to improve professional discipline and the state's obsolete system of monitoring prescription drugs.

ENORMOUS PROFITS

The U.S. Drug Enforcement Administration has estimated that about $25 billion in prescription drugs were sold on the illicit street market in 1993, compared to a government estimate of $31 billion spent that year on cocaine, including crack.

What makes pills so attractive to abusers and purveyors are their purity, predictable effect and low cost compared to illicit drugs. For about $10, less than the price of a few rocks of crack, a user can combine two or three times the therapeutic dose of codeine with the sedative glutethimide to achieve a high similar to heroin.

Although some of the drugs are smuggled into the country or stolen from distributors, a large portion comes from medical offices and pharmacies.

State and federal law prohibits the dispensing of controlled substances unless good-faith medical exams are performed, accepted prescribing practices are followed, and there is adequate medical justification. It also is illegal for someone to fraudulently obtain prescription drugs, a practice known as doctor-shopping.

By American Medical Assn. estimates, 1% to 1.5% of physicians dishonestly prescribe drugs, and another 5% are grossly negligent in their prescribing. In California, that represents 4,500 to 4,875 doctors.

For the unscrupulous professional, the profits can be enormous. Doctors, dentists and pharmacists have made millions by turning their practices into lucrative pill mills, where fraudulent prescriptions—written in minutes—have sold for $200 to $600 apiece, depending on the substance.

Working at the other end of the spectrum are doctor-shoppers, who trick physicians and pharmacists with self-inflicted injuries, forged prescriptions and stories about back pain or old war wounds.

During an eight-month period in 1990, Vicki J. Renaldo of Oceanside duped 42 San Diego area doctors and 26 pharmacies into giving her thousands of codeine tablets—all paid for by Medi-Cal. She was convicted and sentenced to two years in state prison.

Another doctor-shopper in the Midwest managed to scam 134 physicians.

''It's so easy to do. The doctors don't really question you,'' said Barbara Curtis, 42, a member of Benzodiazepines Anonymous, a Los Angeles-based support group for prescription drug addicts. For almost 20 years, Curtis went to three or four doctors to secure supplies of two painkillers—Vicoden and Fiorinal with codeine.

''Migraine headaches was all I had to say.''

''There seems to be a constant supply of these drugs on the black market,'' said Dr. Greg N. Haynor of the Haight Ashbury Free Clinic in San Francisco, one of the nation's leading drug treatment centers. ''The fact is, a lot of pills are floating around out there that can pack quite a wallop.''

Depending on the year, a quarter to a half of emergency room admissions related to drug abuse involve a prescription drug either taken by itself or in combination with alcohol or other controlled substances, according to the national Drug Abuse Warning Network.

The network surveys emergency rooms in 43 metropolitan areas to measure the consequences of drug use. It does not determine whether the prescription drugs were obtained illegally.

Of the top 20 drugs mentioned in the emergency room episodes, about 75% were prescription painkillers, sedatives, stimulants and tranquilizers.

Despite the enormity of the problem, prescription drug abuse remains a low priority for law enforcement, which has had its hands full fighting illicit drugs at home and abroad.

Building a prescription prosecution can take months, sometimes years, of tedious work. Pharmacy records must be scrutinized, and undercover buys must show conclusively that drugs were prescribed without good-faith exams or medical justification.

Because of the lengthy investigations and a shortage of agents, no more than 20 doctors, dentists and pharmacists a year are prosecuted criminally in California for prescription drug offenses. Federal authorities, on average, convict 240 people a year for federal drug-diversion offenses, or about five per state.

Even when charges are filed, however, juries balk at returning convictions. When they do, the sentences often are short.

LENIENT LAWS

Part of the reason, according to law enforcement officials, is that medical practitioners usually are charged under laws that can be filed either as a misdemeanor punishable by no more than a year in jail, or as a low-grade felony, which carries a penalty of 16 months to three years in prison.

The way the laws are written, prosecutors say, health care professionals can escape more serious drug-trafficking charges if they have written a prescription, no matter how fraudulent.

Assistant U.S. Atty. Alka Sagar said she has handled about 10 prescription fraud cases in federal court in Los Angeles since 1990. Of those, she said, one doctor received a short prison sentence; the rest pleaded guilty and were placed on probation.

Although felony convictions for prescription fraud are considered easier to obtain in federal court than in state court, the penalties can be just as light because sentencing guidelines are geared almost exclusively toward street drugs.

''You could make a series of undercover buys for 60 pills each and the sentencing range would be zero to six months. Even if each buy was 100 times that amount, it would still be zero to six months,'' Sagar said. ''You'd have to raid a drug factory to get a tough sentence.''

In California, few police departments, even in major cities such as Los Angeles, have specialized officers or anyone with training in prescription drug abuse. The same holds true elsewhere in the nation.

Responsibility for investigating pharmaceutical abuse in California usually rests with the state's Bureau of Narcotic Enforcement. But, of the agency's 300 officers, about seven are assigned the task, and they sometimes are burdened with other assignments. Prescription drugs also represent a fraction of investigations by state Medi-Cal fraud units and professional boards.

Nationally, the federal government spends $13 billion to $14 billion annually on the war on drugs. But only $70 million goes to the DEA to investigate prescription drug offenses—a small fraction of the agency's billion-dollar budget—and part of that is earmarked to halt the illegal flow of chemicals to clandestine labs.

Making enforcement even harder is that the state's computerized tracking system for the sale of controlled substances is obsolete. Because data has to be entered by hand, the unit can analyze only 10% to 15% of the 1.5 million controlled substance prescriptions forwarded annually.

Former state narcotics officer Paul King, who recently retired, recalled a frustrating incident that he says reflects a prevailing attitude toward pill fraud.

King said he learned in 1988 that federal officers in Ohio had arrested a drug runner as he got off a plane from Los Angeles International Airport with at least $600,000 worth of Dilaudid in a shoe box—12,000 pills.

At the time, the heroin-like drug was pouring into the illicit market in Los Angeles and then to destinations nationwide. To King's dismay, federal agents wanted to use the courier as an informant for a standard cocaine case, torpedoing any investigation of the Dilaudid shipment, which was as valuable as 40 to 50 kilograms of wholesale cocaine.

''You couldn't put $600,000 of any other drug that I'm aware of in a shoe box, and this guy was carrying it in plain sight,'' King said. ''I later found out that the courier wasn't even prosecuted.''

SUCCESSES RARE

Although there have been some successful crackdowns, critics say those have been few and far between.

During the mid- to late-1980s, state and federal authorities prosecuted more than 34 doctors, pharmacists and runners during Operation Rx, one of the largest raids on pill mills in Los Angeles. Also during the '80s, the powerful sedative Quaalude was virtually eliminated as a problem by regulatory and law enforcement action.

Still, for the most part, prosecutors are reluctant to file charges in prescription fraud cases because they believe that their limited resources are better spent fighting street drugs.

It is against this backdrop that comedian Chevy Chase managed to stay out of serious

trouble in 1994. For some time, the former star of ''Saturday Night Live'' has had a problem with painkillers, which he says he first took for back injuries caused by pratfalls.

State narcotics officials spent almost a year compiling prescription records on Chase, whom they suspected of illegally obtaining the potent painkillers Percocet and Percodan from numerous doctors. His Pacific Palisades home was searched, as were several physicians' offices.

Agents believed the evidence showed that Chase had engaged in unlawful doctor-shopping and recommended that charges be filed by the Los Angeles County district attorney's office. But that's as far as it went; prosecutors considered the case unwinnable.

Explaining his decision not to file charges against Chase, Deputy Dist. Atty. John Lynch said not only was the doctor-shopping law vague, but it was unclear whether Chase had committed any fraud as defined by the statute.

Los Angeles attorney Zia F. Modabber, a spokesman for Chase, declined to comment because of pending litigation brought against the comedian by a former chauffeur. The driver contends that he has been unable to get work since he was caught by police in 1994 while allegedly ferrying painkillers into Canada for Chase. The judge has restricted public discussion of that case, which is nearing trial.

''I think it would be inappropriate to discuss the issues,'' Modabber said, ''not because we have anything to hide, but out of respect for the justice system.''

A SLAP ON THE WRIST

Disciplinary records from state pharmacy and medical boards also raise questions about the resolve of regulatory agencies to get tough with those who violate criminal and professional codes.

From 1990 to 1995, the state medical board disciplined about 120 physicians for drug-related matters, 44 of whom were convicted of drug crimes. The pharmacy board disciplined about 160 people. The dental board disciplined 20.

One in four pharmacists or pharmacy owners, one in four dentists, and one in nine physicians lost their licenses after charges were sustained. Some of the cases included minor offenses for which license revocations would seem inappropriate.

But even when physicians were found guilty of criminal offenses, including felonies, three out of four kept their licenses. One of them was Dr. Jovencio L. Raneses, formerly of Anaheim Hills.

In 1990, Raneses agreed to plead guilty to one felony count of illegally prescribing controlled substances. He was sentenced to one day in jail and three years probation. Four felony counts were dismissed.

Case records show that Raneses issued thousands of fraudulent prescriptions for Dilaudid through a bogus treatment program for back pain. Authorities estimated that the scheme netted a minimum of $400,000 from January 1988 to April 1989.

Despite the scale of the operation, the state medical board decided in December 1993 to suspend Raneses' license for two months and place him on eight years professional probation.

Back in 1984, the board first warned Raneses about his prescribing practices and ordered him to take medical courses. Court records show that he never took the classes, and the state never checked to see if he did.

Such examples have prompted allegations over the years that the medical board, as well as other regulatory agencies, have done little to rid their professions of the worst offenders.

Medical and pharmacy board officials acknowledge that there have been some problems with professional discipline, but say that reforms have been made since the early 1990s when the criticisms were at their height.

Records show that more complaints are being investigated and more people disciplined because of streamlined procedures.

Laws now require the automatic suspensions of medical, dental and pharmacy licenses for someone convicted of a felony. In addition, investigators say, they are seeking more court orders to suspend medical licenses after a person is arrested.

''There have been some improvements,'' said John Lancara, chief of enforcement for the state medical board, who was hired in the early 1990s to help overhaul the disciplinary system. ''Our goal is to vigorously enforce the Medical Practices Act.''

Meanwhile, at the pharmacy board, backlogs of cases—some of which had lingered for 10 years—have been eliminated. More records are being computerized, and fines that went unpaid for years are being collected.

Board member Bauer argues, however, that there is plenty of room for improvement. She compares the public attitude toward prescription drug abuse to that surrounding drunk driving before a grass-roots movement resulted in stronger laws.

''No one really sees this as a crime,'' she said. ''To me, what is this if not a crime? We need to change people's attitudes. There is a need to say, 'This is a problem.'''

TRIBUTE TO THE REMSENBURG COMMUNITY CHURCH

HON. MICHAEL P. FORBES

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. FORBES. Mr. Speaker, I rise today to pay tribute to the Remsenburg Community Church, and to celebrate the 100th anniversary of this glorious house of worship, serving this pastoral south shore Long Island, NY, hamlet.

On September 15, 1896, the Remsenburg Community Church building was dedicated by the congregation. For the ensuing 100 years, the ''Red Brick Church'' has served the spiritual needs of its congregants, strengthening the entire community through countless acts of charity and fellowship.

Both the church and the hamlet owe their appellation to Dr. Charles Remsen, the man who generously provided the funds to build this community its own house of worship. To show Dr. Remsen their appreciation, his neighbors moved to rename this hamlet in the southeastern corner of Southampton Town. On July 27, 1895, this former section of Speonk was formally founded as Remsenburg.

Though settlers pre-date the Revolutionary War, the organized founding of the Presbyterian Church dates back to July 3, 1853. Before Dr. Remsen's beneficent gesture, congregants gathered in schools and homes to worship, while ministers from neighboring towns were hired to preach God's word. The first frame church was dedicated in 1854 on Elijah Phillips's land, and the charter members include some of Suffolk County's prominent founding families: Selah Raynor, Merinda Halsey, Mrs. Nancy Tuthill, and Sophia Rogers.

The cornerstone of the current church building was laid on April 18, 1896, by the pastor, Rev. Minot Morgan, on land donated by John and Elizabeth Dayton. The Suffolk County News reported that a ''handsome new brick church in Remsenburg, presented to the Presbyterian Society of that village by Dr. Charles Remsen, was dedicated on September 15.''

Today, the community church has an active membership of 36, with another 30 friends who attend services regularly; the Sunday school instructs about 15 students. Operated by the board of trustees, the church benefits from the enthusiasm and hard work of its own Ladies Aid Society and the Chapelettes.

On Sunday, September 15, at 10 a.m., Remsenburg Community Church members will hold a special service of thanksgiving. Today, more than ever, our Nation relies on the spiritual sustenance and communal support that our churches and temples provide. That is why I ask my colleagues to join me in saluting the Remsenburg Community Church. This bastion of community faith and fellowship has strengthened the fibers that bind this community and have made Eastern Long Island a better place to live.

A TRIBUTE TO TRINITY SCHOOL AT RIVER RIDGE BLUE RIBBON SCHOOL AWARD WINNER

HON. JIM RAMSTAD

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. RAMSTAD. Mr. Speaker, I rise today to praise Trinity School at River Ridge, located in my district in Bloomington, MN, for being named winner of the U.S. Department of Education's prestigious Blue Ribbon Award.

The Department of Education could not have selected a more deserving school for this highly coveted honor. When it comes to a comprehensive and successful approach to excellence in teaching, student achievement, leadership, and parental involvement, Trinity School at River Ridge has, in just 10 short years since its opening, set a lofty standard.

Mr. Speaker, this high distinction was well earned. Everyone at Trinity played a role in achieving this extraordinary level of educational excellence. Trinity was the only private school in Minnesota to receive the Blue Ribbon designation, and 1 of only 50 private schools selected nationwide.

Under the visionary leadership of a most remarkable man, Headmaster William Wacker, Trinity School has flourished. Always there for each and every student, William Wacker provides at all hours of the day a willing ear, an understanding shoulder, and a marvelous source of advice and encouragement.

The board of trustees, under the leadership of Louis Grams and full of caring and committed individuals, has selflessly devoted the time, talent, and energy necessary to make Trinity School at River Ridge one of the best in all of America.

Trinity School at River Ridge's special mission and educational approach are perhaps best described in the words of John Buri, a psychology professor at a private college in our area and member of the school's board of trustees: ''In a national educational system where acquisition of job skills is of primary importance, it is good to see recognition of an institution where truly human qualities are valued and where there is an effort to educate

the whole person. Trinity School is about the task of what is truly education.''

Trinity School at River Ridge calls its approach ''An Education in Truth, Beauty and Goodness.''

Forming a true community of learners through the active involvement of students, Trinity School at River Ridge has instituted a common, coherent, and integrated curriculum that helps students apply their knowledge more effectively. The constant evaluation of students at Trinity School is a critical part of this unique education. Students, teachers, and parents know where resources and energy need to be focused.

This historic designation was accomplished through the pioneering and innovative contributions of a truly dedicated administrative staff and dynamic collection of committed teachers. Their deep and unwavering commitment to the students forms the foundation for a very special relationship with the young people at Trinity School at River Ridge. The teachers and staff have gone above and beyond all reasonable expectations to help kids.

Mr. Speaker, another key ingredient in the overwhelming success of Trinity School at River Ridge has been the precedent-setting and inspiring level of involvement by parents. In this day and age when we in Congress hear so much blame being placed on the lack of participation by parents in their children's education, Trinity parents stand out as shining examples of the miracles that can happen when adults take the time to help out at their schools.

But, Mr. Speaker, the No. 1 reason Trinity School at River Ridge has been chosen as a Blue Ribbon Award winner is its spirited students. This student body is focused in a most impressive way on real achievement and a relentless pursuit of the highest standards of excellence. The students have worked hard to create a safe, supportive, and drug-free environment. They have worked hard to establish a record of academic excellence across the board.

From student leadership to participation in public service projects to help people in need in the community, from the heavy emphasis on scholastic achievement to the enthusiastic way they revel in the success of their classmates, the students of Trinity School at River Ridge deserve to claim this national honor as their own. The students at Trinity are the kind of young people any parents would be proud to call their own.

Mr. Speaker, please join me in congratulating everyone at Trinity School at River Ridge on a job well done and for setting such a powerful example of what can be accomplished by a school if everyone pitches in and strives to do their best.

Today we salute Trinity School at River Ridge for proving that schools all across America can succeed if everyone puts their minds and hearts into the effort.

''ANSWERING AMERICA'S CALL'': ESSAY BY KELSEY PERKINS

HON. DAN SCHAEFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. SCHAEFER. Mr. Speaker, the Veterans of Foreign Wars of the United States and its Ladies Auxiliary sponsor an annual Voice of Democracy broadcast scriptwriting contest. This year's contest attracted more than 116,000 secondary school students competing for 54 national scholarships totaling more than $118,000. The theme this year was ''Answering America's Call''.

I am pleased to report that Kelsey Perkins of Aurora, CO, was the State winner of this year's contest. Kelsey, a senior at Smoky Hill High School, is active in her school and has won many scholastic and musical awards, including the Yale Book Award, National Merit Commendation, National Honor Society, and membership as a violinist in the all-State orchestra. Although she maintains a 4.0 grade point average at school, she still finds time to play field hockey, hike, camp, and read.

I commend Kelsey's composition to your attention, Mr. Speaker, as it gives excellent reasons why Americans should become involved in their country's Armed Forces, government, and community. It proves that democracy requires commitment and involvement by all citizens.

I congratulate Kelsey Perkins and her sponsoring VFW Post 3161 in Aurora, CO, on this fine essay.

''ANSWERING AMERICA'S CALL''

Good Morning, and welcome to the American Safari Corporation. I will be your guide for today's tour. What brought most of you here was not the call of the wild, rather it was the call of America. Today we will be conducting a tour in search of some rare species. Now I'm sure that some of you have been told that our search is futile since the prize we are seeking is often considered to be almost extinct. I'll let you be the judge of that. For those of you who are not familiar with our goal today, let me begin by telling you that we are searching for some responsible Americans. Before we set out, I will outline three identifying marks of a responsible American which will help you in our hunt.

The first sign of a responsible American is often that of involvement in our country's armed services. In many countries across the world, military service is mandatory for young men. They have no choice in whether or not to serve their country. In the United States we have no such requirements. Service is voluntary during peace-time. The strength of a country's military is often the standard by which it is judged by other nations. The military is not only a fighting force, it is an international representative of its country. Service shows patriotism and pride for one's home. The armed forces serve the common good by protecting America's interests in all areas, and by embodying the strength, skill and patriotism that symbolizes our country and fills every American with pride. For many citizens, military service offers the perfect opportunity to answer America's call and take on responsibility for our nation. Our armed forces have very high standards for their applicants. By meeting this standard of excellence through service in the armed forces, many men and women are successfully answering America's call to responsibility.

The second tell-tale mark to look for in our hunt is involvement in the government. Perhaps one of the best days to search for responsible Americans is on the first Tuesday in November. They can be seen in herds as they assemble to vote. In a day and age where many people are content to sit on the sidelines and not become involved in our government, utilizing one's right to vote and becoming involved in the government is a sure sign of a responsible American. As President Harry S. Truman observed, ''It's not the hand that signs the laws that holds the destiny of America. It's the hand that casts the ballot.''

Responsible Americans not only participate, but realize what an honor their role in government is. Our founding fathers risked execution by first daring to give Americans their rights to vote and to be involved in government because their actions of protesting unfair government were seen as treasonous. Since the Revolution, Americans have fought and died in many wars to keep Americans free. They fought and died to maintain our rights which include voting and government participation. As citizens of the United States today, it is our duty and privilege to vote in elections and to be involved and informed about our national and local government. Answering America's call includes meeting these responsibilities which support the rights for which many men and women have risked their lives.

One final way to find a responsible American is to look for those who are involved in community service. Acts of unselfish kindness for the common good or the benefit of others is not too much to ask in a nation which has so much. Community service touches the individual lives which make up this great country. It serves as a testimony to our country's humanity. Behind the mass of the armed forces and government are the everyday individuals in life which can be touched and inspired by the work of a few citizens who have realized their responsibility as members of this nation. Many organizations work year round to meet the basic needs of our nation's people because we have a responsibility to those less fortunate than ourselves. So, be sure to search for those who spend their free time helping others in such places as food banks, soup kitchens, and schools.

Well, I hope my little overview has given you a better idea of what to look for in your hunt for a responsible American. Don't forget to look for those obvious signs we reviewed: military service, government participation, and community service. With these in mind, you're sure to find a trail. Please also consider yourself in regards to what's been said today. Don't be afraid to answer America's call personally. By doing so, you could greatly increase the responsible American population. They don't have to be an endangered species!

COMMENDING KURT ANGLE OF THE U.S.A. OLYMPIC WRESTLING TEAM AND MT. LEBANON, PA

HON. MICHAEL F. DOYLE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. DOYLE. Mr. Speaker, I wish to commend one of my constituents, Mr. Kurt Angle, for his heroic athletic achievement at the 1996 Centennial Olympic Games in Atlanta, GA. Mr. Angle represented his family, his community, and his country with dignity and honor in earning a gold medal in the 220-pound division of Olympic freestyle wrestling.

As one of America's best hopes for a medal and the defending 1995 world champion in the 220-pound class, Mr. Angle withstood the intense pressures of competing against the best wrestlers in the world and persevered to achieve his dream.

Mr. Angle has been a National Collegiate Association of America [NCAA] champion from

Clarion University as well as a world champion. He was worked many hours sharpening his skills and practicing his trade, striving to be the very best that this country has to offer. He has shown leadership, as a 3-year captain of his collegiate squad, and displayed the ability to work with teammates toward a larger goal.

Kurt Angle has competed on many levels, in many international tournaments and has always performed to the best of his abilities. That he has finally achieved the gold medal in a competition as important as the Olympic games is a true testament to his courage and character. The community of Mt. Lebanon has long known of Kurt Angle's athletic gifts and now we are happy to share them, and him, with the rest of the world. His strength and determination are qualities that all Americans can look upon and be proud.

I join many in the 18th Congressional District, and across the United States, in congratulating Kurt Angle for this glorious achievement. Thank you, Kurt, for proving that hard work can bring us closer to our dreams.

WELFARE REFORM

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. HAMILTON of Indiana. Mr. Speaker, I would like to insert my Washington Report for Wednesday, August 7, 1996 into the CONGRESSIONAL RECORD.

THE WELFARE REFORM BILL

With passage of the welfare reform bill, Congress has made a sweeping change in social policy. It came to pass because of rising public indignation over an open-ended entitlement welfare system. We are ending welfare as we know it, creating a new system without really knowing what its impact will be, but feeling strongly that the present system needs radical change.

I supported this bill because I concluded a long time ago that the current welfare system cries out for reform. Virtually no one defends it. It undermines the basic values of work, responsibility and family, traps generation after generation in dependency, and hurts the very people that it was designed to help. The principal goal of this legislation is to promote work and self-sufficiency and to end dependence.

WHAT THE BILL DOES

For sixty years the welfare system has been driven by the view that if you are poor and eligible you're guaranteed a check. This bill ends that guarantee. As of July 1, 1997, the federal program of welfare—Aid to Families With Dependent Children—will be eliminated. A new program, Temporary Assistance for Needy Families (TANF) will provide block grants which states will use to run their own welfare systems.

Abled-bodied welfare recipients will now be required to work after two years, or lose benefits. By the year 2002, states should have 50% of welfare recipients in work programs. Moreover, the bill establishes a five-year lifetime limit on TANF benefits, although states can exempt up to 20% of their caseloads and use their own funds to provide assistance after the five-year cutoff.

TANF benefits are prohibited to those convicted of drug felonies, single mothers who refuse to help identify the fathers of their children, families without minor children, and teen parents unless they stay in school and live with an adult. Most legal immigrants who are not citizens will lose eligibility for food stamps and Supplemental Security Income (SSI). States will decide whether to provide TANF or Medicaid benefits to legal immigrants.

Current welfare child care programs are converted into a block grant to states, which may not cut off TANF to a parent with a child under six who could not work because of a lack of child care.

The bill also tightens eligibility standards for food stamps, and limits childless adults age 50 and under to three months of food stamps in any three year period unless they are working or training for a job. People who are laid off from their jobs during that period could receive an additional three months of food stamp benefits.

Child support enforcement is also strengthened. The bill requires states to develop computerized listings of child support orders and new hires, place more emphasis on paternity establishment, and suspend or restrict the use of driver's licenses, professional licenses, and recreational licenses of parents who are delinquent on child support payments.

The bill is expected to save the federal government $55 billion over the next six years, mostly due to the cuts in food stamps and benefits for legal immigrants.

ASSESSMENT

I think this bill meets several key tests. It moves people from welfare to work, imposes time limits, provides child care and health care, cracks down on child support enforcement, and gives us a chance to break the cycle of dependency. This bill is much better than previous welfare reform legislation considered by Congress, which was too soft on work and too tough on children. Those bills failed to provide adequate child care and health care and imposed deep cuts on school lunches and help for disabled children.

This bill turns upside down the relationship between Washington and the states on welfare. Under the present system, states share the cost of welfare, but Washington writes most of the rules and provides a large share of the money, especially when the welfare rolls rise. Under this bill, the federal and state governments will continue to share the cost but each state will manage its own program and be responsible for coming up with extra money if the federal money is not enough. Much responsibility now rests with states.

The idea behind the bill is to get people into jobs, the sooner the better, and then try to develop ways to sustain them in the workforce. It envisions welfare offices as job placements centers where applicants are steered toward training and work rather than handed a check.

But this is far from a perfect bill. I'm concerned about the estimates that the bill will make hundreds of thousands of children poorer. Legal immigrants who have played by the rules and have played by the rules and have every reason to assume that they are welcome here, will be stripped of their federal benefits. The roughly $24 billion cut in food stamps over the next six years is very deep. One of the questions the bill does not confront is what to do about people who are willing to work but cannot find a job. And negotiations will almost certainly continue between the federal government and the states over welfare rules.

I think all of us want to push people off of welfare who are able to work, but this bill probably does not do enough to help people become self-sustaining. I am deeply concerned that the major part of our budget cutting efforts in this Congress is focused on reducing programs for the poor.

When dealing with welfare I think we all have to admit a certain level of humility. There are so many people on welfare today with so many different problems that it is extremely difficult to gauge exactly how these changes will impact them. There will be continuing efforts to review programs for job training, education, and economic investments. Already legislation has been introduced aimed at curing the deeper ills of communities. This bill does not solve the desperate problems of chronic poverty in America, and so almost certainly we have not heard the last of the welfare debate.

The real choice was between the present system and this bill. My conclusion is that we simply have to be willing to let states experiment to find ways to break the cycle of dependency that keeps dragging people down. In my view, the bill probably represents our best hope for figuring out how to solve the problems of the poor and underclass.

THE ENVIRONMENTAL PROTECTION AGENCY'S [EPA] PROPOSED CLUSTER RULE FOR THE PULP AND PAPER INDUSTRY:

HON. MICHAEL D. CRAPO

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. CRAPO. Mr. Speaker, I am pleased to provide comments on the proposed Cluster rule for the pulp and paper industry, and specifically comments on the EPA's July 15 Federal Register notice. The forest and paper industry provides significant jobs and economic benefits in our State and its local communities. Several of us have communicated with EPA's staff directly in the past to express our concern about the original 1993 proposal. We believe strongly that EPA can, and should be able to achieve important environmental goals without damaging our State and communities. We commend EPA's efforts to improve the proposed rule, first in last spring's Federal Register notice on the MACT portion of the Cluster rule, and most recently in the July 15 notice. We urge you to promptly issue a final Cluster rule that incorporates these and other necessary improvements.

One of the many improvements that has been announced for consideration for the final rule is the selection of option A as the basis for best available technology limits. The July 15 notice identifies this option as the most cost-effective, noting that it appears to provide comparable benefits to the more costly option, especially in the area reductions in key pollutant parameters.

Improving the cost-effectiveness of the Cluster rule will also help ensure the success of the voluntary incentives program EPA has proposed. We encourage EPA to continue to seek new ways of achieving greater regulatory flexibility. For this new program to succeed, EPA must ensure that the criteria are focused on improvements in environmental measures and the incentives provide meaningful inducements for potential participants.

We urge EPA again to move forward promptly to issue a final rule incorporating option A and the other improvements being considered. We believe that such a rule would protect the environment as well as the jobs employing the men and women who support Idaho's local communities.

A SPECIAL SALUTE TO REV. DR. DONALD JACOBS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. STOKES. Mr. Speaker, I rise to salute Rev. Dr. Donald G. Jacobs on the occasion of his retirement after more than 55 years of services in the ministry. On September 27, 1996, the membership of his present congregation, Community A.M.E. Church, will hold a retirement dinner honoring Dr. Jacobs. I am proud to join in this tribute to a distinguished member of the religious community who is a gifted leader and a good friend.

Dr. Jacobs has served more than 55 years as a minister and pastor in African Methodist Episcopal Churches in Pennsylvania and Ohio. The Ohio churches include a circuit in Bainbridge and Hillsboro; Quinn Chapel in Stubenville; and St. Paul Church in Canton, OH. Dr. Jacobs began his ministry in the Cleveland area with his pastorship of St. James A.M.E. Church. He also served as pastor at Mt. Moriah A.M.E. Church prior to his pastorship at Community Church. Dr. Jacobs is a strong leader who possesses vision and wisdom. He has been an inspiration and champion to all who have come to know him.

Mr. Speaker, Dr. Jacobs has also utilized his pastoral calling to bring about important social change. He is the past executive director of the Interchurch Council of Greater Cleveland and was the first African-American director. Activities which were initiated under his leadership include the initiation of a hunger center; the development of an interracial program aimed at involving area churches in job development for inner-city youth; and support of activities aimed at serving mothers on welfare.

Further, as a member of the National Council of Churches, Dr. Jacobs helped to organize Partners in Ecumenism, a national effort to more significantly involve African-American clergy and laity in the American religious community. Other board memberships include the Ohio Humanities Council, the Urban League of Greater Cleveland, and Wilberforce University.

Mr. Speaker, during his lifetime Dr. Jacobs has also been a strong voice in the struggle for civil rights. He is the past president of the Cleveland Branch NAACP. I recall that in the 1960's, Dr. Jacobs organized demonstrations at the building site of a new Federal building to protest the exclusion of African-Americans from unions in Cleveland. As cochairman of the Emergency Committee of Clergy for Civil Rights, Dr. Jacobs helped form an interfaith and interracial group of Cleveland clergy to participate in voter registration drives in Mississippi.

I also recall that when my brother, Carl, launched his campaign to become the mayor of Cleveland in 1967, he had the strong support of Dr. Jacobs as cochair of the Clergy for Carl Stokes Committee. This unified effort resulted in Carl's successful campaign victory, making him the first black mayor of a major American city.

Mr. Speaker, as we pay tribute to Rev. Dr. Donald Jacobs, we honor an individual who has led a life of devotion and service to others. I take special pride in saluting Dr. Donald Jacobs. We wish him well in his retirement and commend him for a life of devotion and leadership.

TRIBUTE TO GIRL SCOUT GOLD AWARD RECIPIENTS

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. OBEY. Mr. Speaker, today, I would like to salute two outstanding young women who have been honored with the Girl Scouts of the U.S.A. Gold Award by the Birch Trails Girl Scout Council in my home town Wausau, WI. They are Jessica Thoms and Margaret Stahr.

They are being honored for earning the highest achievement award in Girl Scouting. The Girl Scout Gold Award symbolizes outstanding accomplishments in the areas of leadership, community service, career planning, and personal development.

Girl Scouts of the U.S.A., an organization serving over 2.6 million girls, has awarded more than 20,000 Girl Scout Gold Awards to Senior Girl Scouts since the inception of the program in 1980. To receive the award, a Girl Scout must fulfill five requirements: earn four interest project patches, earn the Career Exploration pin, earn the Senior Girl Scout Leadership Award project, earn the Senior Girl Scout Challenge, and design and implement a Girl Scout Gold Award project. A plan for fulfilling the requirements of the award is created by the Senior Girl Scout and is carried out through close cooperation between the girl and an adult Girl Scout volunteer.

The earning of the Girl Scout Gold Award is a major accomplishment for these young women, and I believe they should receive the public recognition due them for this significant service to their community and their country.

TRIBUTE TO GIRL SCOUT GOLD AWARD RECIPIENTS

HON. WILLIAM M. ''MAC'' THORNBERRY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. THORNBERRY. Mr. Speaker, today I would like to salute 10 outstanding young women who have each been honored with the Girl Scout Gold Award by the Texas Plains Girl Scout Council in Amarillo, TX. Each is being honored for earning the highest achievement award in Girl Scouting. The Girl Scout award symbolizes outstanding accomplishments in areas of leadership, community service, career planning, and personal development. The award can be earned by girls age 14–17, or in grades 9–12.

Girl Scouts of the U.S.A., an organization serving 2.5 million girls, has awarded more than 20,000 Gold Awards to senior Girl Scouts since the inception of the program in 1980. To receive the award, a Girl Scout must earn four interest project patches, the Career Exploration Pin, the senior Girl Scout Leadership Award, and the senior Girl Scout Challenge, as well as design and implement a Girl Scout Gold Award project. A plan for fulfilling these requirements is created by the senior Girl Scout and is carried out through close cooperation between the girl and an adult Girl Scout volunteer.

As members of the Texas Plains Girl Scout Council, these senior Girl Scouts began working toward their Girl Scout Gold Award over 2 years ago. Each completed projects in an area which made a positive and significant impact in their community. These outstanding young women reached this achievement through many hours of dedication and commitment.

Angie Davenport and Angie Turpen of Lefors, TX designed and carried out a project to prevent crime and vandalism by organizing neighborhood watch groups. Jennifer Ellis of Amarillo, TX took it upon herself to create a program for young girls to better understand the needs of the disabled. Janel Kirby of Amarillo, TX created a project that involved making identification labels for each registered member of the Texas Plains Girl Scout Council to be used when they travel. Christy O'Dell of Amarillo, TX designed a project with a two fold purpose. She helped to provide residents of a retirement center the chance to hear musical presentations in the convenience of their community, and also allow the performers a chance to hone their skills. Amanda Peters of Amarillo, TX used her knowledge of computers to organize and design a library for her local church. Penelope Schuster of Amarillo, TX organized a clothing drive to aid local charities in providing clothing for economically disadvantaged women applying for jobs. Jennifer Walton of Amarillo, TX heightened awareness of national women's history through a rally at her school, which included special speakers and presentations. Jenny Whisenhunt of Amarillo, TX created a project to recognize senior citizens at a banquet, giving the senior citizens a forum in which to share their life experiences with family and friends. Jessica Nichols of Amarillo, TX organized a book drive to create a library at her local church.

Each of these senior Girl Scouts deserve public recognition for their efforts to serve the community and the country.

HONORING WINNERS OF HISPANIC INDEPENDENCE AWARDS

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. KILDEE. Mr. Speaker, I rise today to pay tribute to the Hispanic Independence Awards Ceremony that will be held on Saturday, September 14, 1996, at the General Motors Institute in my hometown of Flint, MI.

September is National Hispanic Heritage Month and the Hispanic Independence Awards Ceremony kicks off a month-long celebration of Hispanic culture, ideas, and achievements in Genesee County. The Hispanic community will once again honor individuals who have selflessly committed themselves to making Flint and Genesee County a better place in which to live.

Each award is named for a prominent deceased member of the Hispanic community who exemplified the ideals espoused by the award. The Pedro Mata Leadership Award is given to a person who has provided leadership, encouragement, and influence in the Hispanic community. This year's recipient is Mr. Pete Mata. The Tano Resendez Award for

community service is given to a person who has dedicated personal efforts to promoting civic and cultural activities. The award this year is being given to Dr. Eduardo Lorenzo. The Joe Benavidez Award for education is presented to a person who has supported educational issues relating to Hispanics of all ages. Ms. Janie Rubio is this year's recipient. The Labor Involvement Award is being given to Ms. Estela Mata for her efforts to increase community awareness, improve the quality of life, and open doors for Hispanics. The Bruno Valdez Arts and Entertainment Award is presented to a Hispanic artist who has promoted Hispanic culture through professional and personal activity. The award this year is being given to Mr. Roel Martinez. The Veterans Award is given to a member of the Hispanic Community who has honorably served in the U.S. Armed Forces. Mr. Aleucion Duran is being honored with the award this year. Ms. Lorena Gonzalez will be given the Maria DeLeary Award. This year the Hispanic community will honor Mr. Domingo Berlanga for his selfless work that he devotes to the Hispanic Community.

To honor those of the Hispanic community just starting to pursue their life goals, the Pedro Mata, Jr., Scholarship Award will be given to Ms. Holly Saultman. The purpose of this award is to foster a commitment to community service and encourage continued education.

Mr. Speaker, it is with great pride that I rise today and ask my colleagues in the House of Representatives to join me in congratulating the winners of these awards. The recipients are to be commended for their dedication, commitment, and leadership to the Hispanic community of Flint and Genesee County.

TRIBUTE TO THE MEMBERS OF THE SOUTH BAY POST NO. 8300 OF THE VETERANS OF FOREIGN WARS IN EAST PATCHOGUE

HON. MICHAEL P. FORBES

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. FORBES. Mr. Speaker, I rise today to pay tribute to the members of the South Bay Post No. 8300 of the Veterans of Foreign Wars, in East Patchogue, Long Island as they celebrate the 50th anniversary of the post's founding this Saturday, September 14.

Established by World War II veterans returning home to Brookhaven Town after leading America's victory over fascism, the South Bay Post takes its name from the Great South Bay that separates the south shore of Suffolk County from Fire Island and the Atlantic Ocean. South Bay Post No. 8300 was officially chartered on September 14, 1946, and Howard D. Hunter was chosen as the post's first commander.

Utilizing a surplus Army hospital building from Camp Upton, now Brookhaven National Laboratory, the post opened its headquarters on Dunton Avenue in East Patchogue in the early 1950's on land purchased from the town of Brookhaven for $1. Post members moved the hospital building from Camp Upton in three sections, installed the foundation and completed all the necessary renovations. Since its inception, the post headquarters have been expanded to accommodate its membership, that rose from an original 73 veterans to a high of 142 in 1973. Today the roster stands at 79.

On May 30, 1947, the post held its first important event when it sponsored a Memorial Day parade and service at the Bellport Cemetery. The post still continues its annual Memorial Day parade tradition.

During South Bay Post No. 8300's half-century lifespan, many changes have come to this area of Long Island. What remains unchanged is the devotion that the post's charter members possess for their country and comrades-in-arms. This Saturday night, during the 50th anniversary celebration dinner, Post Commander Dominic Chiapperino will present 50-year pins to 11 charter members whose passion and faith in America and the Veterans of Foreign Wars post they founded have never wavered.

I ask my colleagues in the U.S. House of Representatives to join me in saluting these 11 charter members of South Bay Post No. 8300, Veterans of Foreign Wars, on their 50-year anniversary. The 50-year charter members are: Anthony Fuoco, Ralph Fuoco, Sam Fuoco, Anthony Satornino, Dominic Satornino, Charles Stethani, Vincent Stethani, Walter Albasi, James Cardamone, Gasper Perry, and Joseph Stethani.

As citizens of this free and prosperous Nation, all Americans owe our war veterans a tremendous debt of gratitude for the sacrifices they endured and the efforts they made on our behalf. Please join me in saluting South Bay Post No. 8300 of the Veterans of Foreign Wars and all of its members, for all they do for our veterans and for all they've done for America.

INTRODUCTORY STATEMENT FOR H.R. 4050 VALUE-ADDED TAX PROPOSAL

HON. SAM GIBBONS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. GIBBONS. Mr. Speaker, the United States must have a new revenue system. We cannot afford the current system. It costs too much to operate. It destroys Americans' confidence in their Government and it hurts our economy by exporting American job opportunities.

Today, I have introduced H.R. 4050, and I have also placed in the CONGRESSIONAL RECORD a statement and a technical description for this proposal. This is the best that I have been able to do, drawing upon my 27 years of experience on the Committee on Ways and Means and my 34 years in Congress. I welcome discussion and criticism.

The legislation is comprehensive. First, it repeals all income taxes, personal and corporate. Second, it replaces the revenue lost with a value-added tax [VAT] on all goods and services at one flat tax rate. Third, it recognizes the current individual tax burden and it contains a proposal to keep this tax burden as it currently is and has been for the last 30 years.

A value-added tax is paid for by every American consumer which, by the way, is the ultimate impact of our current system. It is collected by business and remitted by business to the U.S. Government. A VAT simply taxes the value of each good and service on its way to the ultimate consumer. It does so in a fashion which does not cause the rate of taxation to pyramid.

THE CURRENT SYSTEM

While raising the revenue we need and achieving some of the goals we originally set for it, our income tax system has become a maze of complexity, intimidating to almost all taxpayers in its broad scope and labyrinthine nature. Because of this complexity, most Americans think the Tax Code is unfair. Most believe it allows the wealthiest to escape fair taxation and leaves the heavier burden on those less fortunate. On average, Federal taxes take about 23.8 percent of family income. At the very least, Americans deserve a tax system they can understand and trust, one with the consistency that assures that all are paying by the same process.

Businesses, too, feel overly burdened by our tax system. Compliance requests, complex forms, and expensive staff are needed to merely comply.

Our current tax system has the effect of exporting our job opportunities. Practically all countries have a value-added tax. Their VAT is subtracted from the price of their goods are exported to the United States. When their goods enter our tax environment, we collect little if any U.S. tax. But when our goods and services enter their countries, they add their VAT to the price of our goods before they are sold. Therefore, our goods, when sold overseas, carry the tax costs of two systems but their goods sold in our country are largely exempt from taxation. The ultimate impact is to diminish and export our U.S.-based job opportunities.

MY PROPOSAL FOR AN AMERICAN VALUE-ADDED TAX—H.R. 4050

The bill I am introducing today would eliminate all of these problems. It repeals the individual and corporate income taxes as well as the Social Security and Medicare taxes—approximately 90 percent of our current Federal taxes. It is my proposal for a single-rate subtraction-method value-added tax as a complete replacement for our current tax system. I feel confident that this bill will give the Congress a strong starting point for this important debate. A technical explanation of this bill follows my introductory statement.

A value-added tax is a tax placed on the sale of goods and services at each point where the value of a product is increased instead of taxing income as it is received. For example, a tax would be imposed when timber was sold. If the purchaser of the timber made it into paper and sold the paper, a tax would be placed on the value added by the papermaker. The value added by the papermaker would be determined by adding up the gross receipts from the sales of paper and subtracting the cost of business purchases—for example, timber, equipment, chemicals for bleaching, electricity or other energy costs, et cetera. Because the tax applies only to businesses, the value-added tax is not collected upon the sale of an owner-occupied private residence.

Under a VAT, American exports would not be taxed because they will be taxed when they enter a foreign country—if we taxed them in the United States then we cannot be competitive and this will cost us American jobs. The tax would apply only to consumption of

goods and services that takes place in the United States, whether imported or domestically produced. All imported goods would have our VAT added to this cost.

My VAT legislation provides a simple, understandable means of collecting the revenue the Government needs to operate and satisfying our citizens' right to understand their tax burden. All consumers would have the same tax rate. The simplicity of this system would improve compliance and reduce administrative costs for both the payor and the Government.

Many alternative tax systems purport to be simple, but a close examination of the details belies that claim. My VAT has no special exemptions or deductions and it has only one rate.

DISTRIBUTION OF TAX BURDEN

As the Congress considers any alternative to our current system, I state quite emphatically that two debates should remain outside of the discussion of a new tax system: First the amount of revenue the Government raises and spends, and second the distribution of the tax burden. The former has been discussed extensively in this 104th Congress, and perhaps rightly so, but on any count it is a debate that should take place outside of tax reform. The latter, burden distribution, should remain as it is—a progressive American system that helps the least among us and ensures that those benefiting the most from our democratic government and open economy pay their fair share. Both must be addressed. Neither should hinder our review of a VAT.

One of my key tenets in formulating a new tax regime is to maintain the same degree of progressivity that our current system has. The imposition of my VAT would not accomplish that by itself. Title III of my bill, the burden adjuster, is designed to keep the tax burden as it is now and has been for the last 30 years. Because the estimated 20-percent rate would likely result in a tax increase compared to current law for lower-income Americans and a tax decrease for upper-income Americans, my proposal adjusts that result so that, on average, each income group would bear the same burden it bears today.

My goals in designing this burden adjustment are: No. 1 to keep the adjustment mechanism itself as simple as possible; and No. 2 to minimize the number of taxpayers who would be subject to it. I believe that I have succeeded on both counts.

Since this is a key tax fairness issue, I want to share some details on its specifics and how it was developed. The burden adjustment aspect of my proposal is very simple. The 50 million taxpayers with incomes of less than $30,000 would get a rebate of the value-added tax they would pay, and the 17.5 million with incomes above $75,000 would be charged a bit extra. The 42 million taxpayers with incomes between $30,000 and $75,000 would not have to deal with an income tax at all.

Specifically, a rebate to low-income—up to $30,000—Americans would bring them to their current burden level. The rebate would be phased out proportionally, reaching zero at $30,000. The Internal Revenue Service would provide a table showing the amount of rebate at each income level. Taxpayers would simply look up their income in the table in order to know how much their rebate would be. They could file for their rebate from the IRS or, as the Secretary may arrange, they could receive it along with other cash transfers they may get from the Federal Government.

Taxpayers with income of more than $75,000 would pay a 17-percent flat rate on the amount of their adjusted gross incomes that exceeds $75,000. This low, flat rate would be sufficient to keep the average tax rate of the top 16 percent of the population at its current rate—under the assumption that they spend all of their income and pay the 20-percent VAT on their purchases.

The rebate calculation is very easy and would be done by the IRS. All taxpayers would need to do is look up their income in a table. The extra assessment calculation is as simple as possible. Taxpayers would apply a flat rate to an already familiar measure of income.

The vast middle-class—those with incomes between $30,000 and $75,000—would not have to bother with any of this. They would simply pay the VAT when they purchased goods and services. Period. No forms, no filing, no IRS.

So, with my value-added tax, 42 million taxpayers would no longer file tax forms of any kind. Another 50 million people would have the simple task of applying for a rebate of the VAT they pay, which they could look up in a table provided to them. Only 16 percent of all current taxpayers—17.5 million out of 110.8 million taxpayers—would be required to file and pay the additional assessment.

No complicated transition rules are needed—this VAT, with its rebate system for businesses, eliminates the need.

CONCLUSION

I look forward to vigorous discussion of my proposal with all commentators and participants in the policymaking process. It is through such dialog that sound changes to our tax laws evolve.

As we prepare to reform our current tax system, the implications of replacement must be fully understood and dealt with. We need to educate ourselves. I applaud Ways and Means Committee Chairman ARCHER for holding hearings on this subject.

I have spent years working on the ideas that I have presented here. And the ideas are certainly not mine alone. Hundreds of Americans have written on this subject and practically every country on earth with the exception of Australia has a form of value added taxation.

I could not have brought these many ideas together and presented them as I have without the help of some very fine and learned professionals: Janice Mays, currently chief counsel and staff director for the Democratic members of the Committee on Ways and Means who formerly served in that capacity for the full committee, John Buckley, currently chief tax counsel to the Democratic members of the Committee on Ways and Means and former chief of staff to the Joint Committee on Taxation and prior to that assistant legislative counsel to the House of Representatives; Kathleen O'Connell, chief economist for the Democratic members of the Committee on Ways and Means and former deputy assistant director for tax analysis at the Congressional Budget Office, Ellen Dadisman, Frank Phifer and others on our Democratic staff. I have also received much assistance from many other generous public servants.

Numerous others, particularly those in the private sector, have studied, written, and discussed for endless hours with me on this subject. Nothing is perfect and nothing is ever final, but this is the best that I have been able to do. Your input is welcomed. I would be glad to respond to all comments.

TECHNICAL DESCRIPTION OF H.R. 4050

The bill consists of three titles. The bill's provisions take effect on January 1, 1998.

TITLE I

Title I of the bill repeals the individual and corporate income taxes (including the minimum taxes), and the employment taxes used to fund the Social Security and Medicare programs. These repealed taxes constitute approximately 90 percent of current Federal revenues. The bill maintains the current funding of those programs by dedicating a portion of the revenues raised from the value-added tax imposed by Title II of the bill to the appropriate trust funds for such programs.

TITLE II

Title II of the bill imposes a broad-based, single rate, subtraction method, value-added tax. Businesses would collect and remit the tax. The estimated rate of the tax would be 20 percent. The 20 percent rate is an estimate of the rate that, in combination with the burden adjustment provisions of title III, will result in the bill being both revenue neutral and distributionally neutral. The rate was selected to minimize the number of taxpayers affected by the burden adjustment provisions.

Except for an exception for very small businesses, all persons engaged in business activities in the United States would be responsible for collecting and remitting the value-added tax. Businesses with gross receipts of less than $12,000 per year would be exempt from the tax unless they waive that exemption. For this purpose, the term ''business activity'' means the sale of property in the United States, the grant of the right to use property in the United States, and the performance of services in the United States other than as an employee. Such activities would be subject to the value-added tax if they are carried on continuously or regularly, regardless of profit motive.

The amount of the value added by any business during any taxable period would be computed under the subtraction method. The business would total its gross receipts from business activities for the taxable period and then subtract the amount (referred to as ''business purchases'') paid by the business during the taxable period for products and services to be used or sold in the business activity. Business purchases do not include amounts paid for employee compensation. If the amount paid for business purchases during any taxable period exceeds the business gross receipts for that taxable period, the business would be entitled to a refund equal to the VAT rate times that excess.

The value-added tax would be adjusted at the international border. In the case of exports, the adjustment would be made by excluding gross receipts from exports of goods and services from business gross receipts. Business purchases would include the cost of goods and services used to produce exported goods and services, thereby refunding to the exporter the value-added tax embedded in the price of those goods and services. In the case of imports, the adjustment would be made by excluding purchases of imported products or services in computing the amount of business purchases. There are also provisions that would refund the value-added tax to persons (such as tourists) making nonbusiness purchases of property in the United States for use outside the United States. There would be a tax on nonbusiness imports of property or services into the United States.

Businesses engaged in providing financial services would be subject to the value-added tax based on the value of the financial intermediation services that they provide. Those businesses could specify that a portion of the amounts they receive such as interest are implicit fees for financial intermediation services and the amount so specified would be treated as a deductible business purchase by the person paying the interest. Except for businesses engaged in providing financial services, dividends, interest, and other returns from financial assets would be excluded from gross receipts for purposes of the value-added tax.

There are rules for goods and services furnished by governmental entities and tax-exempt organizations. Those goods and services would be exempt from the value-added tax unless there is a separate charge imposed. If the full cost of the goods or services is not covered by the amounts charged for them, the entity cannot deduct the portion of its business purchases funded from other sources in computing its value added. Public utility services, mass transit services, and postal services furnished by governmental entities would be subject to the tax even if there is no separate charge.

TITLE III

Title III of the bill provides a rebate of the value-added tax to low-income individuals and imposes an assessment on high-income individuals.

Individuals whose adjusted net income for a year does not exceed $30,000 would be eligible for a rebate of the value-added tax. The amount of the rebate would be the applicable percentage of the individual's adjusted net income. The applicable percentage is 20 percent reduced by two-thirds of one percent for each whole $1,000 of the individual's adjusted net income. For the purposes of the rebate, adjusted net income includes the value of some non-indexed Federal transfer payments received during the year.

Individuals would be eligible to receive a rebate only if they are citizens and residents of the United States for the entire year, have a principal place of abode in the United States for more than half the year, and are not the dependent of another taxpayer.

The bill contains provisions for the advance payment of the rebate by employers. These provisions are similar to the provisions of current law which provide for advance payment of the earned income credit.

Taxpayers with net incomes over $75,000 would be required to pay an assessment equal to 17 percent of their net income under current law except that net income would include:

1. tax-exempt interest,

2. foreign earned income excludable under current Internal Revenue Code section 911, and

3. items of elective deferred compensation and nonqualified deferred compensation when there is not a substantial risk of forfeiture.

The bill's change in the treatment of nonqualified deferred compensation is necessary to prevent avoidance of the bill's assessment. The bill repeals the corporate income tax and therefore eliminates the current-law impediments to the use of nonqualified deferred compensation.

In addition, the bill contains provisions to prevent corporations from being used to avoid the assessment. The undistributed income of closely held corporations would be deemed distributed to their shareholders.

H.R. 4050

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

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE.

(a) IN GENERAL.—This Act may be cited as the ''Revenue Restructuring Act of 1996''.

(b) FUNDAMENTAL PRINCIPLES FOR TAX RESTRUCTURING.—The provisions of this Act are a substitute for the current Federal income taxes and social security and medicare employment taxes and are designed to meet the following principles which should govern all proposals for fundamental tax reform:

(1) REVENUE NEUTRALITY.—The debate about the best method by which the Government raises revenue should not be confused with the issue of how much revenue the Government should raise.

(2) FAIRNESS.—Equitable distribution of the tax burden is of paramount importance. Tax reform should not be used as an opportunity to alter the current distribution of the burden of Federal taxes.

(3) SIMPLICITY.—Much of the unhappiness with the current Federal tax system arises from its perceived complexity. Tax reform should focus on the creation of a truly simpler system, thereby avoiding the ill will and skepticism generated by the current Federal tax system.

(4) ECONOMIC EFFICIENCY.—A good revenue system should minimize interference in economic markets. It should result in the least amount of distortion and bias, should encourage economic growth, and should promote the vigor and competitiveness of American companies.

(5) INTERNATIONAL COMPETITIVENESS.—The current income tax is an impediment to maximum competitiveness of American companies in international markets. Any reform proposal should be border-adjustable and promote the competitiveness of American companies.

(c) RESPONSIBILITIES OF DEPARTMENT OF TREASURY.—The rate of the value added tax and the burden adjustment provisions contained in this Act are tentative and intended to be both revenue neutral and distributionally neutral. The Secretary of the Treasury shall, within 90 days after the date of the enactment of this Act, submit to the Committee on Ways and Means of the House of Representatives such adjustments to—

(1) the rate of the tax imposed by title II of this Act, and

(2) the burden adjustments established by title III of this Act,

to ensure that the provisions of this Act do not result in a significant change in the amount of Federal revenues or in the distribution of the Federal tax burden.

(d) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(e) TABLE OF CONTENTS.—

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TITLE I—REPEAL OF INDIVIDUAL AND CORPORATE INCOME TAXES AND SOCIAL SECURITY AND MEDICARE TAXES

SEC. 101. REPEAL OF INDIVIDUAL AND CORPORATE INCOME TAXES.

(a) IN GENERAL.—Subchapter A of chapter 1 (relating to normal taxes and surtaxes) is hereby repealed.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1997.

SEC. 102. REPEAL OF SOCIAL SECURITY AND MEDICARE TAXES.

(a) IN GENERAL.—

(1) Chapter 21 (relating to Federal Insurance Contributions Act) is hereby repealed.

(2) Chapter 2 (relating to self-employment tax) is hereby repealed.

(b) REPEAL OF TIER 1 RAILROAD RETIREMENT TAXES.—

(1) Subsection (a) of section 3201 (relating to tax on employees) is hereby repealed.

(2) Subsection (a) of section 3211 (relating to tax on employee representatives) is amended by striking paragraph (1).

(3) Section 3221 (relating to tax on employers) is amended by striking subsections (a) and (e).

(4) Paragraph (2) of section 3231(e) is amended—

(A) by striking clause (iii) of subparagraph (A), and

(B) by striking subparagraph (B) and inserting the following new subparagraph:

''(B) APPLICABLE BASE.—The term 'applicable base' means for any calendar year the contribution and benefit base determined under section 230 of the Social Security Act for such calendar year; except that—

''(i) for purposes of this chapter, and

''(ii) computing average monthly compensation under section 3(j) of the Railroad Retirement Act of 1974 (except with respect to annuity amounts determined under subsection (a) or (f)(3) of section 3 of such Act),

clause (2) of the first sentence, and the second sentence, of subsection (c) of section 230 of the Social Security Act shall be disregarded.''

(4) Subsection (e) of section 3231 is amended by striking paragraph (4).

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section (other than subsection (a)(2)) shall apply to remuneration paid after December 31, 1997.

(2) SELF-EMPLOYMENT TAX.—The amendment made by subsection (a)(2) shall apply to taxable years beginning after December 31, 1997.

TITLE II—VALUE ADDED TAX

SEC. 201. IMPOSITION OF VALUE ADDED TAX.

The Internal Revenue Code of 1986 is amended by adding at the end the following new subtitle:

''Subtitle L—Value Added Tax

''CHAPTER 100. Value added tax.

''CHAPTER 100—VALUE ADDED TAX

''SUBCHAPTER A. Imposition of tax.

''SUBCHAPTER B. Computation of tax.

''SUBCHAPTER C. General rules.

''SUBCHAPTER D. Special rules.

''SUBCHAPTER E. Small business exemption.

''SUBCHAPTER F. Definitions.

''SUBCHAPTER G. Administration.

''Subchapter A—Imposition of Tax

''Sec. 10001. Tax imposed.

''SEC. 10001. TAX IMPOSED.

''In the case of any person engaged in any business activity, there is hereby imposed for each taxable period a tax in an amount equal to 20 percent of the taxable value added.

''Subchapter B—Computation of Tax

''Sec. 10011. Taxable value added.

''Sec. 10012. Business activity.

''Sec. 10013. Gross receipts from business activities.

''Sec. 10014. Business purchases.

''Sec. 10015. Exemption for certain nontaxable exchanges.

''SEC. 10011. TAXABLE VALUE ADDED.

''(a) IN GENERAL.—For purposes of this chapter, the term 'taxable value added' means the amount by which—

''(1) the gross receipts of any person from business activities for a taxable period, exceed

''(2) the business purchases of such person for the taxable period.

''(b) REFUND IF BUSINESS PURCHASES EXCEED GROSS RECEIPTS.—If the business purchases described in subsection (a)(2) exceeds the gross receipts described in subsection (a)(1) for any taxable period, an amount equal to 20 percent of such excess shall be treated as an overpayment of the tax imposed by section 10001 for such period.

''SEC. 10012. BUSINESS ACTIVITY.

''(a) IN GENERAL.—For purposes of this chapter, the term 'business activity' means—

''(1) any of the following transactions by any person in connection with a business—

''(A) any sale of property in the United States,

''(B) any grant of a right to use property in the United States, and

''(C) the performance of services in the United States, and

''(2) the export of property or services from the United States in connection with a business.

For purposes of the preceding sentence, the term 'property' does not include any financial instrument (as defined in section 10051) or money.

''(b) EXCEPTION FOR SERVICES PERFORMED AS EMPLOYEE.—For purposes of this chapter, the term 'business activity' does not include the performance of services by an employee for the employee's employer.

''SEC. 10013. GROSS RECEIPTS FROM BUSINESS ACTIVITIES.

''(a) IN GENERAL.—For purposes of this chapter, the term 'gross receipts' means all receipts from a business activity.

''(b) EXPORTS.—

''(1) GENERAL RULE.—For purposes of this chapter, the term 'gross receipts' does not include amounts received by the exporter for property or services exported from the United States for use or consumption outside the United States.

''(2) EXPORT THROUGH NONBUSINESS ENTITY.—For purposes of paragraph (1), if property or services are sold to a governmental entity or exempt organization for export and are exported other than in a business activity of such entity or organization, then the seller of such property or services is deemed to be the exporter thereof.

''(3) INTERNATIONAL TRANSPORTATION.—

''For treatment of international transportation services, see section 10031.

''(c) EXCHANGES.—For purposes of this chapter, the amount treated as gross receipts from an exchange is the amount of money plus the fair market value of other consideration received in the exchange.

''(d) CERTAIN INSURANCE PROCEEDS.—For purposes of this chapter, the term 'gross receipts' includes the proceeds of property and casualty insurance for losses in connection with a business activity.

''(e) TAXES.—For purposes of this chapter, the term 'gross receipts' shall not include—

''(1) any separately stated excise tax, sales tax, customs duty, or other levy imposed by a Federal, State, or local government which is imposed on a business transaction and which is received or collected by the seller in connection with the sale, and

''(2) any tax imposed by chapter 31, 32, 33, 34, 35, 36, 39, 51, 52, or 53.

''(f) TRANSFERS TO RELATED PERSONS.—

''(1) IN GENERAL.—For purposes of this chapter, the amount treated as the gross receipts from any transaction described in section 10012(a)(1) between related persons shall be the fair market value of the property sold, right granted, or services performed (as the case may be).

''(2) RELATED PERSON.—For purposes of this subsection, the term 'related person' means—

''(A) in the case of an employment relationship, an employer and employee,

''(B) in the case of any entity, an owner of the entity,

''(C) any person specified in regulations, and

''(D) any member of the family (within the meaning of section 267(c)(4)) of any individual described in subparagraph (A), (B), or (C).

''(3) OWNER.—For purposes of paragraph (2), the term 'owner' means—

''(A) the proprietor of a sole proprietorship, and

''(B) any holder of a beneficial interest in a corporation, partnership, trust, or other entity.

''SEC. 10014. BUSINESS PURCHASES.

''(a) IN GENERAL.—For purposes of this chapter, the term 'business purchase' means any amount paid or incurred to acquire property, a right to use property, or services for use or sale in a business activity. For purposes of the preceding sentence, the term 'property' does not include any financial instrument or money.

''(b) EXCEPTIONS.—The term 'business purchase' does not include—

''(1) any amount paid or incurred as current or deferred compensation to employees or for employee benefits,

''(2) any payment which is unlawful under Federal, State, or local law, or

''(3) except as provided in subsection (d)—

''(A) any amount paid or incurred as a premium for insurance other than property and casualty insurance, or

''(B) any other implicit intermediation fees.

''(c) IMPORTS.—The term 'business purchase' does not include—

''(1) any amount paid or incurred for the import of property or services, and

''(2) in the case of imported property, any amounts paid or incurred for the transportation of such property to the United States (if such costs are not included in the amount paid for the property).

''(d) FINANCIAL INTERMEDIATION SERVICES.—

''(1) IN GENERAL.—For purposes of this chapter, business purchases include implicit financial intermediation fees.

''(2) IMPLICIT FINANCIAL INTERMEDIATION FEES.—For purposes of paragraph (1), the term 'implicit financial intermediation fees' means amounts allocable to the business activity for which a person has received notice under section 10032(d) (relating to implicit financial intermediation fees) and which have otherwise not been taken into account.

''(3) CROSS REFERENCE.—

For additional treatment of financial intermediation services, see section 10032.

''(e) EXCHANGES.—For purposes of this chapter, the amount treated as paid or incurred for business purchases in connection with an exchange is the amount of money plus the fair market value of other consideration transferred in the exchange.

''(f) TAXES.—For purposes of this chapter, the term 'business purchase' does not include any excise tax, sales tax, customs duty, or other separately stated levy imposed by a Federal, State, or local government on business purchases.

''(g) GAMBLING PAYMENTS.—Except as provided in subsection (a), in the case of a business activity involving gambling, lotteries, or other games of chance, business purchases include amounts paid to winners.

''SEC. 10015. EXEMPTION FOR CERTAIN NONTAXABLE EXCHANGES.

''(a) GENERAL RULE.—For purposes of this chapter, gross receipts shall not include gross receipts from an applicable nontaxable transaction except to the extent attributable to money or other property received in the transaction.

''(b) APPLICABLE NONTAXABLE TRANSACTIONS.—For purposes of this section, the term 'applicable nontaxable transaction' means any transaction—

''(1) to which section 332, 351, 368, or 721 applies, or

''(2) which is specified by the Secretary and with respect to which gain is not recognized in whole or in part under chapter 1.

''Subchapter C—General Rules

''Sec. 10021. Accounting methods.

''Sec. 10022. Governmental entities and exempt organizations.

''Sec. 10023. Post-sale price adjustments and refunds; bad debts.

''Sec. 10024. Source rules.

''Sec. 10025. Conversions.

''SEC. 10021. ACCOUNTING METHODS.

''(a) IN GENERAL.—Except as provided in this section, a person subject to tax under this chapter may use any of the following methods of accounting for purposes of this chapter:

''(1) The cash receipts and disbursements method.

''(2) An accrual method.

''(3) Any other method permitted by the Secretary.

The Secretary may require a person to modify any method to clearly reflect gross receipts and business purchases.

''(b) CONSISTENCY REQUIREMENT.—All persons which are members of a controlled group of corporations which does not elect to be treated as one person for purposes of this chapter under section 10063(a)(2) shall use the same method of accounting for purposes of this chapter.

''(c) SPECIAL RULES FOR LONG-TERM CONTRACTS.—

''(1) IN GENERAL.—In the case of any sale pursuant to a long-term contract (as defined in section 460(f))—

''(A) the seller shall use the percentage of completion method in computing gross receipts from the contract, and

''(B) the purchaser shall use the cash receipts and disbursements method in computing business purchases from the contract.

''(2) REPORTING.—The Secretary may require taxpayers to file statements containing such information with respect to long-term contracts as the Secretary may prescribe.

''(d) INSTALLMENT METHOD PROHIBITED.—Gross receipts from the sale of property shall not be taken into account for purposes of this chapter under the installment method.

''SEC. 10022. GOVERNMENTAL ENTITIES AND EXEMPT ORGANIZATIONS.

''(a) IN GENERAL.—For purposes of this chapter, the transfer of property, the grant of a right to use property, or the furnishing of services by a governmental entity or an exempt organization shall be treated as a business activity if there is a separately stated charge for such transfer, grant, or furnishing.

''(b) SPECIAL RULES FOR GOVERNMENTAL ENTITIES.—For purposes of this chapter—

''(1) IN GENERAL.—The transfer of property, the grant of a right to use property, or furnishing of services by a governmental entity with respect to any of the following activities shall be treated as a business activity whether or not there is a separately stated charge for such transfer or furnishing:

''(A) Public utility services.

''(B) Mass transit services.

''(C) Postal services.

''(D) Any activity not involving the exercise of any essential governmental function (within the meaning of section 115).

''(2) GROSS RECEIPTS.—In the case of a transfer of property, grant of a right to use property, or furnishing of services which is treated as a business activity solely by reason of paragraph (1), gross receipts shall be determined on the basis of the fair market value of such property, right, or services.

''(c) BUSINESS PURCHASES REDUCED BY SUBSIDIES.—

''(1) IN GENERAL.—For purposes of this chapter, in the case of a business activity of an exempt organization or a governmental entity (other than an activity which is treated as a business activity solely by reason of subsection (b)(1)), the business purchases for such activity shall be reduced by the amount of any subsidy provided for that activity.

''(2) SUBSIDY.—For purposes of paragraph (1), the term 'subsidy' means the portion of the cost of the transfer of property, the right to use property, or the furnishing of services, which is not borne by amounts charged therefor.

''(d) ALLOCATION.—The Secretary shall by regulation provide for the proper allocation of gross receipts and business purchases between business activities and other activities.

''(e) SELF-CONSUMPTION OF PROPERTY OR SERVICES.—Notwithstanding the provisions of this section, the Secretary may by regulation provide that property produced, or services furnished, by a governmental entity or an exempt organization for use by itself are to be treated as sold in a business activity if such treatment is necessary to carry out the purposes of this chapter. In any such case the taxable value added shall be determined by reference to the fair market value of the property or services.

''SEC. 10023. POST-SALE PRICE ADJUSTMENTS AND REFUNDS; BAD DEBTS.

''(a) PRICE ADJUSTMENTS AND REFUNDS.—

''(1) RECEIPT TREATED AS REDUCTION IN BUSINESS PURCHASES.—If a person subject to tax under this chapter receives a post-sale price adjustment attributable to a business purchase which was taken into account in computing the taxable value added for a prior taxable period, then the amount of such adjustment shall be treated as a reduction in business purchases for the taxable period in which it is received.

''(2) ISSUANCE TREATED AS REDUCTION IN GROSS RECEIPTS.—If a person subject to tax under this chapter issues a post-sale price adjustment for a sale the gross receipts from which were taken into account in computing the taxable value added for a prior taxable period, then the amount of such adjustment shall be treated as a reduction in gross receipts for the taxable period in which it is issued.

''(3) POST-SALE PRICE ADJUSTMENT.—For purposes of this subsection, the term 'post-sale price adjustment' means a refund, rebate, or other price allowance attributable to a sale of property or services.

''(b) BAD DEBTS.—

''(1) SELLER.—

''(A) WRITEOFFS AND WRITEDOWNS.—If an amount owed to a seller of business property or services that was taken into account as gross receipts in computing the taxable value added of the seller for a prior taxable period becomes wholly or partially uncollectible during any subsequent taxable period, then the seller shall treat the amount (or part thereof that is uncollectible) as a reduction in gross receipts for the taxable period in which it becomes wholly or partially uncollectible.

''(B) NOTICE.—Whenever a seller treats an amount as wholly or partially uncollectible under subparagraph (A), the seller shall notify the purchaser of the amount the seller is treating as uncollectible. The notice shall set forth with specificity the purchase or purchases to which the treatment relates and shall be sent to the purchaser at the purchaser's last known address within 10 days after close of the taxable period in which the seller treats the amount as wholly or partially uncollectible.

''(C) RECOVERIES.—If a seller receives payment for an amount that was treated as a reduction in gross receipts under subparagraph (A) in a prior taxable period, then the seller shall treat the payment as a gross receipt for the taxable period in which it is received.

''(2) PURCHASER.—

''(A) WRITEOFFS AND WRITEDOWNS.—If a purchaser receives notice under paragraph (1)(B) from a seller for all or a portion of the amount owed for business property or services that the purchaser treated as a business purchase in a prior taxable period, then the purchaser shall treat such amount as a reduction in business purchases for the taxable period in which the notice is received.

''(B) REPAYMENTS.—If a purchaser pays all or part of an amount treated as a reduction in business purchases under subparagraph (A) in a prior taxable period, then the purchaser shall treat the amount paid as a business purchase for the taxable period in which the payment is made.

''SEC. 10024. SOURCE RULES.

''(a) SALES OF PROPERTY.—For purposes of this chapter, a sale of property shall be treated as occurring in the United States if the property is located in the United States at the time of the sale.

''(b) RIGHT TO USE PROPERTY.—For purposes of this chapter, the grant of a right to use property shall be treated as occurring in the United States to the extent such right involves the use of such property in the United States.

''(c) SALES OF SERVICES.—

''(1) GENERAL RULE.—For purposes of this chapter, a sale of services shall be treated as occurring in the United States to the extent that—

''(A) the services are provided from a place of business, or with respect to property, in the United States, or

''(B) the services are incidental to the provision of services within the United States.

''(2) CROSS REFERENCE.—

''For treatment of international transportation services, see section 10031.

''SEC. 10025. CONVERSIONS.

For purposes of this chapter, any conversion of property or services from use in a business activity to use in any other activity, or from use in any other activity to use in a business activity, shall be treated as a sale of the property or services for their fair market value.

''Subchapter D—Special Rules

''Sec. 10031. International transportation services.

''Sec. 10032. Financial intermediation services.

''Sec. 10033. Nonbusiness imports of property or services.

''Sec. 10034. Refund for certain nonbusiness purchases.

''SEC. 10031. INTERNATIONAL TRANSPORTATION SERVICES.

''(a) EXPORTS.—For purposes of this chapter, in the case of property exported from the United States—

''(1) GROSS RECEIPTS.—The term 'gross receipts' does not include receipts from transportation of such property from the United States.

''(2) BUSINESS PURCHASES.—The term 'business purchase' does not include amounts paid or incurred for transportation of such property from the United States.

''(b) INTERNATIONAL TRANSPORTATION OF PASSENGERS.—For purposes of this chapter—

''(1) GROSS RECEIPTS.—Gross receipts—

''(A) do not include receipts from the transportation of passengers from outside the United States to a destination in the United States, but

''(B) include receipts from the transportation of passengers from the United States to a destination outside the United States.

''(2) BUSINESS PURCHASES.—Business purchases—

''(A) do not include amounts paid or incurred in a business activity for the transportation of passengers from outside the

United States to a destination in the United States, but

''(B) include amounts paid or incurred in a business activity for the transportation of passengers from the United States to a destination outside the United States.

''SEC. 10032. FINANCIAL INTERMEDIATION SERVICES.

''(a) GENERAL RULE.—For purposes of this chapter—

''(1) the providing of financial intermediation services shall be treated as a business activity, and

''(2) this chapter shall be applied to such business activity by substituting financial receipts and adjusted business purchases properly allocable to such business activity for gross receipts and business purchases.

''(b) FINANCIAL RECEIPTS.—For purposes of this section, the term 'financial receipts' means all receipts other than amounts received as contributions to capital.

''(c) ADJUSTED BUSINESS PURCHASES.—For purposes of this section, the term 'adjusted business purchases' means business purchases, adjusted as follows:

''(1) PRINCIPAL AND INTEREST.—Business purchases include any principal or interest payments properly allocable to the business activity described in subsection (a).

''(2) FINANCIAL INSTRUMENTS.—Notwithstanding any other provision of this chapter, business purchases include the cost of, and payments under, financial instruments (other than financial instruments representing equity interests in the person subject to the tax imposed by this chapter).

''(3) INSURANCE CLAIMS.—Business purchases include claims and cash surrender values paid in connection with insurance or reinsurance services.

''(4) REINSURANCE.—Business purchases include amounts paid for reinsurance.

''(d) REPORTING TO CUSTOMERS.—

''(1) ALLOCATION AND REPORTING.—

''(A) IN GENERAL.—A person engaged in the business activity of providing financial intermediation services shall—

''(i) allocate fees received for such services (other than services for which separately stated fees are charged) among recipients of such services on a reasonable and consistent basis, and

''(ii) report to each recipient the fees so allocated.

''(B) TIMING.—The report under subparagraph (A)(ii) shall be furnished to the recipient no later than the 45th day after the close of a taxable period.

''(2) EXCEPTION.—The Secretary shall establish procedures under which notice need not be given under this subsection to persons with respect to whom services are not provided in connection with a business activity.

''(e) DEFINITIONS.—For purposes of this section—

''(1) FINANCIAL INTERMEDIATION SERVICE.—The term 'financial intermediation service' means—

''(A) lending services,

''(B) insurance services,

''(C) market-making and dealer services, and

''(D) any other service provided as a business activity in which a person acts as an intermediary in—

''(i) the transfer of property, services, or financial assets, liabilities, risks, or instruments (or income or expense derived therefrom) between two or more other persons, or

''(ii) the pooling of economic risk among other persons,

and derives all or a portion of such person's gross receipts from streams of income or expense, discounts, or other financial flows associated with the matter with respect to which such person is acting as an intermediary.

''(2) LENDING SERVICES.—The term 'lending services' means the regular making of loans and providing credit to, or taking deposits from, customers, but does not include an installment or delayed payment arrangement provided by a seller of property or services under which additional charges or fees are imposed by the seller for late payment and for which no interest is charged.

''(3) MARKET-MAKING OR DEALER SERVICES.—The term 'market-making or dealer services' means services provided by a person who—

''(A) regularly purchases financial instruments from or sells financial instruments to customers in the ordinary course of a trade or business, or

''(B) regularly offers to enter into, assume, offset, assign, or otherwise terminate positions in financial instruments with customers in the ordinary course of a trade or business.

''SEC. 10033. NONBUSINESS IMPORTS OF PROPERTY OR SERVICES.

''(a) IMPOSITION OF TAX.—There is hereby imposed on the taxable nonbusiness import of any property or services a tax equal to 20 percent of the sum of—

''(1) the amount paid or incurred for the property or services, plus

''(2) in the case of property, any amounts paid or incurred for transportation costs (if such costs are not included in the amount paid for the property).

''(b) TAXABLE NONBUSINESS IMPORT.—For purposes of subsection (a), the term 'taxable nonbusiness import' means any import of any property or services for use or consumption within the United States unless—

''(1) such property or services is imported for use or sale in a business activity of the importer, or

''(2) such property is imported free of duty under chapter 98 of the Harmonized Tariff Schedule of the United States.

''SEC. 10034. REFUND FOR CERTAIN NONBUSINESS PURCHASES.

''(a) REFUND ALLOWED.—If the tax imposed by section 10001 was paid on any qualified nonbusiness purchase, the Secretary shall pay (without interest) to the purchaser an amount equal to such tax.

''(b) QUALIFIED NONBUSINESS PURCHASE.—For purposes of this section, the term 'qualified nonbusiness purchase' means any purchase of property or services if—

''(1) such purchase is not in connection with a business,

''(2) the purchaser establishes to the satisfaction of the Secretary that substantially all of the use of such property or services is outside the United States, and

''(3) the amount of the tax imposed by section 10001 on such purchase is separately stated.

''(c) PERIOD FOR FILING CLAIMS.—No claim shall be allowed under this section with respect to any purchase unless filed by the purchaser not later than 180 days after the date of such purchase.

''Subchapter E—Small Business Exemption

''Sec. 10041. Small business exemption.

''SEC. 10041. SMALL BUSINESS EXEMPTION.

''(a) EXEMPTION.—Except as provided in subsection (b), if the aggregate amount of gross receipts of any person for any taxable period and the 3 preceding taxable periods does not exceed the exemption amount, no tax shall be imposed under section 10001 (and no credit or refund shall be allowed under section 10011) for the taxable period.

''(b) EXCEPTIONS.—

''(1) PERSON MUST ALWAYS BE EXEMPT.—Subsection (a) shall not apply to any person for a taxable period unless the person was exempt from the tax imposed by section 10001 for all preceding taxable periods.

''(2) ELECTION.—Subsection (a) shall not apply to any person for a taxable period if the person elects not to have subsection (a) apply for the taxable period.

''(c) STATEMENTS.—A person to which this section applies for any taxable period shall file a statement containing such information as the Secretary may prescribe.

''(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) EXEMPTION AMOUNT.—The term 'exemption amount' means $12,000 (or an equivalent amount if the taxable period is not a calendar quarter).

''(2) PERSONS NOT ENGAGED IN BUSINESS FOR ENTIRE PERIOD.—If a person was not engaged in a business activity for the entire period referred to in subsection (a), such subsection shall be applied on the basis of the period the person was so engaged.

''(3) PREDECESSORS.—Any reference in this section to a person shall include a reference to any predecessor of the person.

''Subchapter F—Definitions

''Sec. 10051. Definitions.

''SEC. 10051. DEFINITIONS.

''For purposes of this chapter—

''(1) SALE OF SERVICES.—The term 'sale of services' means the performance of services for consideration, and includes the granting of a right to the performance of services or to reimbursement (including the granting of warranties, insurance, and similar items) for consideration.

''(2) GRANT OF RIGHT TO USE PROPERTY.—The term 'grant of a right to use property' means the granting of a right to use property for consideration.

''(3) SALE OF PROPERTY.—The term 'sale of property' means the transfer of ownership of property from a seller to a purchaser for consideration.

''(4) PROPERTY.—The term 'property' means any tangible or intangible property.

''(5) BUSINESS.—The term 'business' includes any activity carried on continuously or regularly, whether or not for profit, that involves or is intended to involve the sale of property, the grant of a right to use property, or the sale of services.

''(6) BUSINESS PROPERTY OR SERVICE.—The term 'business property or service' means any property or service the sale of which by the owner or provider thereof would be a business activity or which is used by the owner or provider in a business activity.

''(7) EMPLOYEE.—The term 'employee' has the same meaning as when such term is used for purposes of chapter 24 (relating to withholding).

''(8) PERSON.—The term 'person' has the meaning given such term by section 7701(a)(1), but also includes any governmental entity.

''(9) UNITED STATES.—The term 'United States', when used in a geographic sense, includes the customs territory of the United States (as defined in General Headnote 2 of the Harmonized Tariff Schedules of the United States) and any area seaward of the States lying within the outer boundaries of the outer continental shelf (as defined in section 1331 of title 43, United States Code).

''(10) GOVERNMENTAL ENTITY.—The term 'governmental entity' means the United States, any State or political subdivision thereof, the District of Columbia, a Commonwealth or possession of the United States, or any agency or instrumentality of any of the foregoing.

''(11) EXEMPT ORGANIZATION.—The term 'exempt organization' means any organization exempt from taxation under chapter 1.

''(12) FINANCIAL INSTRUMENT DEFINED.—The term 'financial instrument' means any—

''(A) share of stock in a corporation,

''(B) partnership or beneficial ownership interest in a widely held or publicly traded partnership or trust,

''(C) note, bond, debenture, or other evidence of indebtedness,

''(D) interest rate, currency, or equity notional principal contract,

''(E) evidence of an interest in, or a derivative financial instrument in, any financial instrument described in subparagraph (A), (B), (C), or (D), or any currency, including any option, forward contract, short position, and any similar financial instrument in such a financial instrument or currency, and

''(F) position which—

''(i) is not a financial instrument described in subparagraph (A), (B), (C), (D), or (E),

''(ii) is a hedge with respect to such a financial instrument, and

''(iii) is clearly identified in the dealer's records as being described in this subparagraph before the close of the day on which it was acquired or entered into (or such other time as the Secretary may by regulations prescribe).

''(13) USE INCLUDES HELD FOR USE.—Property or services held for use by any person shall be treated as used by that person.

''(14) EXCHANGES TREATED AS SALES.—An exchange shall be treated as a sale.

"Subchapter G—Administration

''Sec. 10061. Liability for tax.

''Sec. 10062. Time for filing return; taxable period.

''Sec. 10063. Treatment of related businesses.

''Sec. 10064. Secretary to be notified of certain events.

''Sec. 10065. Regulations.

"SEC. 10061. LIABILITY FOR TAX.

''The person selling property, granting the right to use property, or selling services shall be liable for the tax imposed by section 10001.

"SEC. 10062. TIME FOR FILING RETURN; TAXABLE PERIOD.

''(a) FILING RETURN.—Before the 16th day of the second calendar month beginning after the close of each taxable period, each person subject to tax under this chapter shall file a return of the tax imposed by section 10001 for such taxable period.

''(b) TAXABLE PERIOD.—For purposes of this chapter—

''(1) IN GENERAL.—The term 'taxable period' means a calendar quarter, except that if a taxpayer has a taxable year under chapter 1 other than the calendar year, then such term means a quarter of that taxable year.

''(2) OTHER PERIODS.—To the extent provided in regulations, the term 'taxable period' includes a period selected by a person other than a calendar quarter.

''(3) AUTHORITY TO SHORTEN LENGTH OF TAX PERIOD.—The Secretary may shorten the length of a person's taxable period under this subsection to the extent the Secretary deems such action necessary to protect the revenue.

"SEC. 10063. TREATMENT OF RELATED BUSINESSES.

''(a) GENERAL RULE.—For purposes of this chapter—

''(1) AFFILIATED GROUPS AND BUSINESSES UNDER COMMON CONTROL.—Except to the extent otherwise provided in regulations—

''(A) an affiliated group of corporations (as defined in section 1504(a) without regard to paragraphs (2), (4), and (7) of section 1504(b)), or

''(B) two or more businesses (whether or not incorporated) under common control within the meaning of section 52(b) and the regulations thereunder,

shall be treated as one person.

''(2) CONTROLLED GROUP.—A controlled group of corporations, as defined in section 1563(a) (determined without regard to the second sentence of paragraph (4) of such section and without regard to section 1563(e)(3)(C)), may elect to be treated as one person.

''(b) RELATED PARTY TRANSACTIONS.—For purposes of this chapter, transactions in the United States between corporations or other businesses that are treated, or that may elect to be treated, as one person under subsection (a) shall not be taken into account in computing the gross receipts or business purchases of any such corporation or business.

"SEC. 10064. SECRETARY TO BE NOTIFIED OF CERTAIN EVENTS.

''To the extent provided in regulations, each person engaged in a business shall notify the Secretary (at such time or times as may be prescribed by regulation) of—

''(1) any change in the form in which the business is conducted, and

''(2) any other change that might affect—

''(A) the liability for the tax imposed by section 10001,

''(B) the amount of such tax or any credit against such tax, or

''(C) the administration of such tax in the case of such person.

"SEC. 10065. REGULATIONS.

''The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this chapter.''

SEC. 202. REFUND AUTHORITY.

Section 6402 (relating to authority to make credits or refunds) is amended by designating subsection (h) as subsection (j) and by inserting after subsection (g) the following new subsection:

''(h) REPAYMENT OF VALUE ADDED TAX.—Within 45 days after the date on which a value added tax return is filed pursuant to section 10062 showing an overpayment, the Secretary shall make, to the extent the Secretary deems practical, a limited examination of the return to discover omissions and errors of computation, and shall determine the amount of the overpayment, if any, for the taxable period to which the return relates and refund the amount of such overpayment to the person who filed the return.''

SEC. 203. DEDICATION OF PORTION OF VAT REVENUES TO SOCIAL SECURITY TRUST FUNDS.

(a) IN GENERAL.—The Secretary of the Treasury shall deposit in each Social Security Trust Fund for periods after 1997 that portion of the revenues from the tax imposed by chapter 100 of the Internal Revenue Code of 1986 which is necessary to maintain each such Fund in the same position it would be in but for the amendments made by section 102 of this Act.

(b) SOCIAL SECURITY TRUST FUNDS.—For purposes of subsection (a), the Social Security Trust Funds are—

(1) the Federal Old-Age and Survivors Insurance Trust Fund established by section 201(a) of the Social Security Act,

(2) the Federal Disability Insurance Trust Fund established by section 201(b) of such Act, and

(3) the Federal Hospital Insurance Trust Fund established by section 1817(a) of such Act.

TITLE III—BURDEN ADJUSTMENTS

SEC. 301. REBATE OF VALUE ADDED TAX TO LOW-INCOME INDIVIDUALS; BURDEN ASSESSMENT ON HIGH-INCOME INDIVIDUALS.

(a) IN GENERAL.—Subtitle A is amended by adding at the end the following new chapter:

"CHAPTER 7—VALUE ADDED TAX BURDEN ADJUSTMENTS

''Subchapter A. Rebate to low-income individuals.

''Subchapter B. Burden assessment on high-income individuals.

"Subchapter A—Rebate to Low-Income Individuals

''Sec. 1601. Rebate to low-income individuals.

''Sec. 1602. Advance payment of rebate.

"SEC. 1601. REBATE TO LOW-INCOME INDIVIDUALS.

''(a) GENERAL RULE.—The Secretary shall, for each taxable year, pay to each eligible individual an amount equal to the VAT rebate for such year.

''(b) VAT REBATE.—For purposes of this section—

''(1) IN GENERAL.—The VAT rebate for any taxable year is an amount equal to the applicable percentage of so much of the adjusted net income of the eligible individual for such year as does not exceed $30,000.

''(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage is 20 percent reduced (but not below zero) by ⅔ of 1 percentage point for each whole $1,000 of the individual's adjusted net income.

''(3) ADJUSTED NET INCOME.—The term 'adjusted net income' means the sum of—

''(A) the net income (as defined in section 1611(c)) for the taxable year, plus

''(B) the value of specified Federal transfer payments received during the taxable year.

''(4) SPECIFIED FEDERAL TRANSFER PAYMENTS.—The term 'specified Federal transfer payments' means—

''(A) aid provided under a State plan approved under part A of title IV of the Social Security Act (relating to aid to families with dependent children),

''(B) assistance provided under—

''(i) the food stamp program (as defined in section 3(h) of the Food Stamp Act of 1977), or

''(ii) the portion of the program under sections 21 and 22 of such Act which provides food assistance, and

''(C) any other Federal assistance which consists of money payments or script and which is not adjusted for changes in the cost-of-living.

''(c) ELIGIBLE INDIVIDUAL.—For purposes of this section, the term 'eligible individual' means any individual if—

''(1) such individual is a citizen or resident of the United States for the entire taxable year,

''(2) such individual's principal place of abode is in the United States for more than one-half of such taxable year,

''(3) such individual is not a dependent of another taxpayer for any taxable year beginning in the same calendar year as such taxable year, and

''(4) such individual's adjusted net income for the taxable year does not exceed $30,000.

''(d) AMOUNT OF REBATE TO BE DETERMINED UNDER TABLES.—

''(1) IN GENERAL.—The amount of the rebate allowed by this section shall be determined under tables prescribed by the Secretary.

''(2) REQUIREMENTS FOR TABLES.—The tables prescribed under paragraph (1) shall reflect the provisions of subsection (b) and shall have income brackets of not greater than $50 each.

''(e) MARRIED INDIVIDUALS MUST FILE JOINT CLAIM.—In the case of an individual who is married (within the meaning of section 7703), this section shall apply only if a joint claim is filed by such individual and such individual's spouse, and such joint claim shows the combined adjusted net incomes of such individual and spouse.

''(f) COORDINATION WITH PERIODIC PAYMENTS OF REBATE.—If any payment is made to the individual under section 1602 during any calendar year or if periodic payments have been made to the individual under this section during any calendar year, then such

individual shall pay to the Secretary an amount equal to the excess (if any) of—

''(1) the aggregate amount of such payments, over

''(2) the maximum amount which would be payable to such individual under this section (for such individual's last taxable year beginning in such calendar year) without regard to such payments and on the basis of the actual adjusted net income of such individual for such taxable year.

Any amount required to be paid under this subsection shall be assessed and collected in the same manner as tax imposed by chapter 1.

''(g) CLAIM REQUIRED TO BE FILED, ETC.—

''(1) IN GENERAL.—No payment shall be made under this section unless claim therefor is filed with the Secretary.

''(2) REBATE PAYABLE WITH FEDERAL TRANSFER PAYMENTS, ETC..—To the maximum extent practical, the Secretary shall arrange for the payment of the rebate under this section to be made with Federal transfer payments and payments of social security benefits.

''SEC. 1602. ADVANCE PAYMENT OF REBATE.

''(a) GENERAL RULE.—Except as otherwise provided in this section, every employer making payment of wages to an employee with respect to whom a VAT rebate eligibility certificate is in effect shall, at the time of paying such wages, make an additional payment to such employee equal to such employee's VAT rebate advance amount.

''(b) VAT REBATE ELIGIBILITY CERTIFICATE.—For purposes of this title, a VAT rebate eligibility certificate is a statement furnished by an employee to the employer which—

''(1) certifies that the employee will be eligible to receive payments under section 1601 for the taxable year,

''(2) certifies the employee's estimate of his adjusted net income (as defined in section 1601(b)) for the taxable year other than income from wages from such employer, and

''(3) certifies—

''(A) that the employee does not have another VAT rebate eligibility certificate in effect for the calendar year with respect to the payment of wages by another employer, and

''(B) that the spouse of the employee does not have a VAT rebate eligibility certificate in effect.

For purposes of this section, a certificate shall be treated as being in effect with respect to a spouse if such a certificate will be in effect on the first status determination date following the date on which the employee furnishes the statement in question.

''(c) VAT REBATE ADVANCE AMOUNT.—For purposes of this title, the term 'VAT rebate advance amount' means, with respect to any payroll period, the amount determined—

''(1) on the basis of the employee's wages from the employer for such period and the employee's estimate under subsection (b)(2) of his adjusted net income (as defined in section 1601(b)) for the taxable year other than from such wages, and

''(2) in accordance with tables prescribed by the Secretary.

''(d) PAYMENTS TO BE TREATED AS PAYMENTS VALUE ADDED TAX.—

''(1) IN GENERAL.—For purposes of this title, payments made by an employer under subsection (a) to his employees for any payroll period—

''(A) shall not be treated as the payment of compensation, and

''(B) shall be treated as made out of amounts of the taxes imposed for the payroll period under chapter 100 (relating to value added tax), as if the employer had paid to the Secretary, on the day on which the wages are paid to the employees, an amount equal to such payments.

''(2) ADVANCE PAYMENTS EXCEED TAXES DUE.—In the case of any employer, if for any payroll period the aggregate amount of VAT rebate advance payments exceeds the sum of the amounts referred to in paragraph (1)(B), each such advance payment shall be reduced by an amount which bears the same ratio to such excess as such advance payment bears to the aggregate amount of all such advance payments.

''(3) EMPLOYER MAY MAKE FULL ADVANCE PAYMENTS.—The Secretary shall prescribe regulations under which an employer may elect (in lieu of any application of paragraph (2))—

''(A) to pay in full all VAT rebate advance amounts, and

''(B) to have additional amounts paid by reason of this paragraph treated as the advance payment of taxes imposed by this title.

''(e) FURNISHING AND TAKING EFFECT OF CERTIFICATES.—Rules similar to the rules of section 3507(e) shall apply for purposes of this section.

''Subchapter B—Burden Assessment on High-Income Individuals

''Sec. 1611. Assessment on high-income individuals.

''Sec. 1612. Inclusion of undistributed income of certain corporations.

''SEC. 1611. ASSESSMENT ON HIGH-INCOME INDIVIDUALS.

''(a) GENERAL RULE.—Each assessable person whose net income for the taxable year exceeds the threshold amount shall pay an assessment for such year equal to 17 percent of the excess (if any) of such income over the threshold amount.

''(b) ASSESSABLE PERSON.—For purposes of this subchapter, the term 'assessable person' means any individual, estate, or trust other than a trust exempt from taxation under chapter 1.

''(c) NET INCOME.—

''(1) IN GENERAL.—For purposes of this section, the term 'net income' means adjusted gross income determined with the modifications described in the following paragraphs.

''(2) CERTAIN EXCLUSIONS DISREGARDED.—Net income shall be determined without regard to—

''(A) sections 911, 931, and 933,

''(B) section 457, and

''(C) any exclusion from gross income for any elective deferral (as defined in section 402(g)(3)).

''(3) CERTAIN AMOUNTS INCLUDED.—

''(A) TAX EXEMPT INTEREST.—Net income shall be increased by the amount of interest received or accrued by the taxpayer during the taxable year which is exempt from tax.

''(B) NONQUALIFIED DEFERRED COMPENSATION.—Deferred compensation shall be included in gross income for the 1st taxable year in which there is no substantial risk of forfeiture of the rights to such compensation (within the meaning of section 457(f)(3)). The preceding sentence shall not apply to any plan or contract described in section 457(f)(2).

''(4) ESTATES AND TRUSTS.—The adjusted gross income of an estate or trust shall be determined in accordance with section 67(e).

''(d) THRESHOLD AMOUNT.—For purposes of this section—

''(1) IN GENERAL.—The term 'threshold amount' means—

''(A) except as provided in subparagraph (B), $75,000, and

''(B) zero in the case of a taxpayer who—

''(i) is married as of the close of the taxable year (within the meaning of section 7703) but does not file a joint return for such year, and

''(ii) does not live apart from his spouse at all times during the taxable year.

''(2) SPECIAL RULES FOR TRUSTS.—

''(A) IN GENERAL.—Except as otherwise provided in this paragraph, the threshold amount for any trust shall be zero.

''(B) EXCEPTION FOR CURRENT DISTRIBUTION TRUSTS.—Subparagraph (A) shall not apply to any trust to which section 651 applies for the taxable year.

''(C) BENEFICIARY MAY ALLOCATE THRESHOLD.—Any beneficiary of a trust to which subparagraph (A) applies may elect to allocate any portion of such beneficiary's threshold amount under paragraph (1) for any taxable year to such trust. Such allocation shall apply for such trust's taxable year beginning in the taxable year from which made and shall reduce the threshold amount otherwise available to such beneficiary.

''(d) ASSESSMENT COLLECTED AS TAX.—For purposes of subtitle F, the assessment imposed by this section shall be treated as if it were a tax imposed by chapter 1.

''SEC. 1612. INCLUSION OF UNDISTRIBUTED INCOME OF CERTAIN CORPORATIONS.

''(a) GENERAL RULE.—Each assessable person who owns (within the meaning of section 542(a)) stock in a corporation on the last day in the taxable year of such corporation on which such corporation was an applicable corporation shall include in gross income (for such person's taxable year in which or with which such taxable year of the corporation ends) as a dividend the amount such person would have received as a dividend if on such last day such corporation had distributed pro rata to its shareholders an amount which bears the same ratio to the undistributed income of the corporation for the taxable year as the portion of such taxable year during which such corporation is an applicable corporation bears to the entire taxable year.

''(b) APPLICABLE CORPORATION.—For purposes of this section—

''(1) IN GENERAL.—The term 'applicable corporation' means—

''(A) any corporation engaged in a service-related business in which a shareholder performs substantial services, and

''(B) any closely held C corporation.

Such term shall not include any corporation exempt from taxation under chapter 1.

''(2) SERVICE-RELATED BUSINESS.—The term 'service-related business' means any trade or business described in subparagraph (A) of section 1202(e)(3).

''(3) CLOSELY HELD C CORPORATION.—The term 'closely held C corporation' means any C corporation if, at any time during the last half of the taxable year, more than 50 percent in value of its outstanding stock is owned, directly or indirectly through the application of section 544, by or for not more than 10 individuals.

''(c) UNDISTRIBUTED INCOME.—For purposes of this section—

''(1) IN GENERAL.—The term 'undistributed income' means the net income of the corporation for the taxable year reduced any distributions by the corporation to its shareholders with respect to its stock—

''(A) which are made during the taxable year and not taken into account under subparagraph (B) for the preceding taxable year, or

''(B) which—

''(i) are made after the close of the taxable year and on or before the 45th day following the close of the taxable year, and

''(ii) are designated, at such time and in such manner as the Secretary may prescribe, as distributions for purposes of this paragraph.

Any distribution described in subparagraph (B) shall be included in the gross income of

the shareholder for the shareholder's taxable year which includes the last day of the taxable year of the corporation for which the reduction under this paragraph was made.

''(2) NET INCOME.—Net income shall be determined in the same way as taxable income under chapter 1 as in effect on the day before the date of the enactment of this section.

''(d) CERTAIN RULES TO APPLY.—Rules similar to the rules of subsections (d) and (e) of section 551 shall apply with respect to amounts required to be included in gross income under this section.''

(b) CLERICAL AMENDMENT.—The table of chapters for subtitle A is amended adding at the end the following new item:

''Chapter 7. Value added tax burden adjustments.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1997.

THE SUPREME COURT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, September 4, 1996 into the CONGRESSIONAL RECORD.

THE SUPREME COURT

The U.S. Supreme Court recently completed its 1995–1996 term. Hoosiers don't often talk to me about the Court, but its actions have a wide-ranging impact on our daily lives and have important consequences for Congress as well. Under our constitutional system of checks-and-balances, the Court's decisions help define the limits of congressional authority.

The Court in recent years has been marked by the emergence of a conservative majority. Its conservatism is marked by a preference for law enforcement in the area of criminal law, by a general skepticism of affirmative action, and by a sympathetic view of state powers in our federal system of government. This Court has worked on several occasions to enhance the powers of the states at the expense of Congress.

But the conservative majority is not monolithic. Justice Antonin Scalia is perhaps the most ardently conservative voice on the Court, but his sharp and bitter dissents, often directed at fellow conservatives, suggest his influence has diminished. The decisive votes on key decisions, in contrast, belong to the two ''moderate'' conservatives, Justices Sandra Day O'Connor and Anthony Kennedy. Both are conservative, but not predictably so. In some areas of the law, most notably redistricting and state-federal relations, O'Connor and Kennedy have joined their conservative colleagues to upset long-settled constitutional principles. But in other areas, often involving individual liberties, the two Justices have taken a pragmatic, incremental approach, forging narrow majorities with their more liberal colleagues.

The number of petitions arriving at the Supreme Court has climbed to about 7,000 a term, but the Justices are taking and deciding fewer cases. This term, the Court issued the fewest written opinions (just 75) in more than 40 years. This trend reflects in part the judicial philosophy of the Court's conservative majority—that the Court should defer to elected lawmakers on policy matters and should let legal issues percolate in the lower courts before weighing in.

What follows is a summary of the key decisions from this term.

INDIVIDUAL RIGHTS

The highest profile cases decided this term involved individual rights. Justices O'Connor and Kennedy were the swing votes. Both have rejected government policies which seek to classify people—to their advantage or disadvantage—by race, gender or sexual orientation.

In an important sex-discrimination case, the Court ruled that the men-only admissions policy at the Virginia Military Institute, a state-supported college, was unconstitutional and that the alternative program the state had devised for women was an inadequate substitute for admitting women to the military college. The Court also struck down a Colorado state constitutional amendment that nullified existing civil rights protections for homosexuals and barred the passage of any new laws protecting them at the state or local level.

The Court invalidated four congressional districts in Texas and North Carolina which included a majority of minority voters. The Court held that the use of race as a ''predominant factor'' in drawing district lines made the districts presumptively unconstitutional. Many states, particularly in the South, had created majority-black or hispanic districts in the last round of redistricting in an effort to comply with Justice Department interpretations of the federal Voting Rights Act. The Court, in the last two terms, has thrown out several of these maps, and will likely revisit the issue next term.

FEDERALISM

The Court also addressed fundamental questions about the distribution of power between states and the federal government. The conservative majority has acted in recent years to curb the reach of federal authority, particularly when it may intrude on state powers. Last year, for example, the Court overturned a federal law banning gun possession within 1000 feet of a school.

This term the Court curbed the authority of Congress to subject states to lawsuits in federal courts. The case centered on a 1988 gaming law that gave Indian tribes the right to sue states in federal court to bring them to the bargaining table over terms for opening casinos. The Court held that the Eleventh Amendment to the Constitution forbids Congress from authorizing private parties, including Indian tribes, to bring lawsuits in federal court against unconsenting states.

OTHER KEY DECISIONS

The Court issued several other important decisions this term.

The Court decided several important cases relating to free speech. The Court struck down a provision of a 1992 federal law permitting cable television stations to ban indecent programming on public access channels. It also ruled that political parties could not be limited in the amount of money they spend on behalf of their candidates as long as the expenditures are independent and not coordinated with the candidate. In a third case the Court said independent government contractors could not be fired for failing to show political loyalty. In addition, the Court struck down laws in Rhode Island and other states that prohibited the advertising of beer and liquor prices.

In the area of criminal law, the Court upheld provisions of a new federal law setting strict limits on the ability of federal courts to hear appeals from state prison inmates who have previously filed a petition challenging the constitutionality of their conviction or sentence. The Court also held that the government may seize cars, houses and other property used for criminal activity even if the actual owner of the property did not know about the wrongdoing.

CONCLUSION

Conservatives now control the Court, and even the liberal-leaning Justices, including Clinton appointees Ruth Bader Ginsburg and Stephen Breyer, are much more pragmatic than the old left. They are moderate on economic issues and fairly liberal on social issues, but often side with the conservative majority in criminal law cases.

The ideological center of the Court has moved to the right over the last few years, but the conservative majority is fragile. Only three Justices—Scalia, Thomas and Rehnquist—are reliably conservative, and overall the conservatives hold a narrow 5–4 advantage. The replacement of a single Justice could make a significant difference in the dynamics of the Court.

SPEECH BY KIM SANG HYUN

HON. THOMAS M. DAVIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. DAVIS. Mr. Speaker, I believe that my colleagues would benefit from hearing the words of Kim Sang Hyun, Member of the National Assembly of the Republic of Korea, and I ask unanimous consent to have Kim Sang Hyun's speech at National Press Club on September 5, 1996, be entered into the RECORD.

BEYOND AUTHORITARIAN LEGACIES: NEW POLITICAL LEADERSHIP FOR KOREA

(By Kim Sang Hyunq, Member of the National Assembly, The Republic of Korea)

Good morning, ladies and gentlemen.

I would like to begin by telling you what a long way it took me to be here this morning to speak to you at this prestigious press club. It took ten years. It was back in 1986 when I was invited to have the honor of speaking before this forum. Korea was then under the military dictatorship of Chun Doohwan, and I was prohibited from leaving the country, as were many other democracy fighters, including my colleagues who have joined me here today. I would like to introduce them to you all in the audience: (would you all come forward here, please.)

From my left, Congressman Park Chung-Hoon. He was an able leader of student movement, and he was put into jail for four times for his courageous struggle for democratization. Congressman Chang Young-Dal, who spent 8 years in prison for the crime of fighting for democracy against military rule. The last but not the least in importance, Congressman Kim Chang Be, who was the leader of the citizens of Kwangju who bravely fought the troops of General Chun and General Roh during the massacre of 1980, and later was sentenced to death.

As for myself, I spent 4 years and 3 months in prison; I was put under house arrest on 73 occasions; I was physically tortured on three occasions; and I was banned from politics for 17 years. Throughout these hard years of my political and personal ordeal, under prosecution, repression and humiliation, I never lost my spirit or my sense of duty and honor to struggle for the cause of democracy for Korea and for the cause of an ultimate unification of our nation.

It was not until 1992 that I was set free politically to make my way back to the national legislature. Well, I am sorry we may sound like a bunch of ex-convicts. And I don't even remember what my charges were for which I was sent to jail. (Wait for a

laughter.) (To the three members, ''Thank you for coming out.'')

Before we go into hard subjects, I want to introduce my wife. The life of the wife of an opposition politician in Korea was very difficult in those dark days. She persevered many difficult years because of me. Without her love and support, I would not have made it this far. The only good I have done for her is that I have chosen to stay married to her, now in our 38th year. But I had no other place to go anyway.

Ladies and gentlemen, I know this National Press Club, while dedicating itself to protection and promotion of the freedom of speech, has played an important role for human rights and democracy around the world. It is indeed my privilege to speak here on the topic of the need for new leadership for true democracy in Korea, and on the issue of national unification.

President Kim Young-sam's government was launched in 1993. However, the genesis of his government was a politically immoral merger of three parties under Roh Tae-woo in 1990. This brought an end to my political alliance with Kim Young-sam. Nevertheless, after he became President, I sincerely wished him to succeed in carrying out political reforms and completing the process of democratization for which we had fought together.

After more than three and a half years of his presidency, it is clear that he has failed to meet the expectation of the people for democratic reforms and a rebuilding of democratic institutions. In the view of many, including myself, Kim Young-sam has failed because of his role in the three-party merger and the complacency of supporters of authoritarian regimes who have resisted reform.

At the threshold of the 21st century, Korea calls for new political leadership to carry out genuine democratic reforms. Next year, 1997, we will have a presidential election, which I view as an opportunity to seek the kind of new leadership that can take the nation into the next millennium of civilization. If we fail to capture that opportunity, we would be pushed to the sidelines only to watch a continuation of the old practices of political division and internal bickering, instead of opening a new era of democracy and unification.

In every respect, the next year's presidential election is crucially important. It is crucially important because it offers an opportunity to realize a truly democratic transfer of power from the government party to the opposition party of a legitimate national and democratic tradition. It will be an opportunity for us to move forward to resolve the undesirable conflicts of regionalism and to narrow the unhealthy gaps between all socio-economic classes. We can then move forward to work for a settlement of peace on the Korean peninsula as a necessary step toward unification.

Ladies and gentlemen, I am preparing to run for the nomination of the presidential candidate of my party, the National Congress for New Politics. New politics today calls for new leadership. The era of coups, disrupting constitutional order or an era of authoritarian rule, suppressing democratic development, has ended.

We need a new leadership not to justify the means to an end, but to establish a tradition of respecting the process of democracy. We need a new leadership to bring about democracy within an organization as a model and to establish the rule of law as the basic instrument of governance. We need a new leadership that would not be content or remain complacent with past contributions to democratization or with the status quo of the division of the nation. A new leadership that can meet the challenge of an independent and peaceful unification. In the coming era of national unification, we need a national leader who can earn respect and trust from the 70 million Koreans of the North and the South.

By new leadership, I mean a political leadership of vision for a new world order, a statesmanship that can lead the nation harmoniously within and ''the politics of co-prosperity'' without into the 21st century and beyond. Korea needs a new political leader who sees politics not as a ''zero-sum game'' but as a process of building a consensus and maintaining a balance through discussion and negotiation.

If the 20th century was an age of conflict and confrontation, the 21st century should become a century of reconciliation and cooperation. If the Korean peninsula of the 20th century was the arena of competition in the balance of power between the East and the West, the 21st century Korea should be able to play the role of a bridge to cooperation and prosperity in the Asia Pacific region.

A new era of a new century needs a new, creative political leadership, and I seriously intend to provide that kind of leadership which our people deserve. To win the next year's presidential election and to realize a ''horizontal transfer of power'' for the first time in our history, we the main opposition party must develop the right strategy. I see three sides of the strategy:

First, a presidential candidate must be elected democratically by his or her party members in a national convention. To this end, I have insisted that my party's candidate be selected through a free and open competition at the next convention, not by acclamation for a particular individual. The democratic process of selecting our party candidate should result in a welcome festivity for all members of our party and the people of Korea. I firmly believe that free competition for the party's presidential candidate will reform the undemocratic practices of both government and opposition parties, which are currently controlled and led by equally authoritarian party heads. I believe free competition will provide a turning point for a mature democracy.

Second, we must bring an end to the chronic politics of regional hegemony, that has been a fact of life for decades. South Korea needs a successful presidential candidate who opposes against ''rule by regional division,'' and who can bring about regional harmony between the east and the west of its land.

Third, we must unite all opposition forces into a grand coalition. The absence of solidarity within the opposition camp has been one of the primary causes for the opposition's failure in taking over the reigns of government. Not to make the same mistake, an opposition presidential candidate should be someone who is considered objectively best qualified in terms of political career and statesmanship. Only such candidate can bring opposition parties together and move forward to win the presidency. When I am elected as the candidate of my party next year, I promise that with a vision of high politics, I will unite my party with the Democratic Party, which is an important stream of our opposition, and with other democratic forces.

Now I want to share with you some of my perspectives on the issue of North-South relations and unification.

In this post-Cold War era, Korea remains the only divided nation in the world, and there is no reconciliation between the north and the south; therefore, no genuine peace on the peninsula. In my view, we should change our thinking into a new approach to the frustrating task of unification. For a new turning point, I have long thought of an approach to a peaceful unification on the basis of what I would call ''the security and well-being of all Koreans'' and with cooperation and support of the surrounding countries.

In the past, the issue of unification was exploited as a means of protecting the security of regimes by both leaders of the south and the north. Unification policy should be carried out to help build an all Korean national community towards security, peace and prosperity for all Koreans. The principle of ''security and well-being for all Koreans'' should replace the conflict of political interest. The principle of ''an all Korean national community'' should replace ''the confrontation of political systems.'' Only then we can move forward to peaceful coexistence and common prosperity.

A unified Korea will have an expanded national economy to participate actively in world trade, playing a pivotal role in promotion of regional security and economic cooperation in Northeast Asia.

Having proven itself as a winner of a half-century long economic and political competition with North Korea, the confident South Korea should not be too hard on the North. In this context, a soft-landing makes a lot of sense. We should avoid implosion or explosion. We should take the initiative in inducing North Korea to reform and opening.

In order to secure a durable peace structure, I propose a two-track, parallel approach to negotiation with North Korea for a simultaneous successful conclusion of negotiations between the North and the South and between North Korea and the United States. A final peace agreement from such parallel negotiations should provide a nuclear transparency by North Korea.

As an interim move, and with the 4-party proposal pending, I propose that the U.S. president meet with the leaders of South Korea and North Korea in a third country outside the Korean peninsula to discuss and ultimately to sign a peace agreement.

With a peace mechanism for the peninsula, we can move forward to a ''2+4 peace agreement'' with the support of the United States, China, Japan and Russia, which will become the basis for a multi-lateral security cooperative system in the region.

Let me now focus on inter-Korean relations. To move closer to unification, agreements reached between the North and the South must be honored. We agreed on the July 4, 1972 joint statement on the principles of autonomy, peace and national unity, and signed the December 1991 Basic Agreement for reconciliation, non-aggression, exchanges and cooperation.

In the spirit of these agreements, we both North and South Korea should amend or abolish those laws and policies that impede progress towards the process of unification. Specifically, South Korea should replace ''the national security law'' with a ''law for maintaining the democratic order.'' For the same token, North Korea must revise its criminal laws the constitution of the North Korean Workers Party. At the same time, practical measures of confidence building must be put into action so that both sides can move towards a mutual reduction of military arms.

If we start these measures, and if we can build on them for a further step towards unification, a peaceful unification will become a matter of time, not direction. Our approach to unification should neither be the German style of absorption nor the Vietnamese style of a military takeover by force. Ours should be a creative third style that we have not yet seen in the history of the world.

To this end, I announce my intention to meet with North Korea's virtual leader Kim

Jong Il at Panmunjom or at a place to be agreed on after I become my party's presidential candidate. I am confident that we can reach a constructive agreement on an incremental but substantive modality of negotiations and progress towards ''security and prosperity for all Koreans.''

Because of geopolitics, Korea in the 20th century became a battlefield of power struggle and ideological conflict, but in the 21st century a unified Korea, because of the same geopolitical reason, is expected to play the role of a balancer in power relationship and an important contributor to regional cooperation and world peace.

Next I want to discuss the environmental issues. I have always had a special interest in environment. It seems to me many governments still do not deal with environmental protection as an urgent priority issue. I am particularly concerned about the deteriorating state of environment in Northeast Asia. Unless we do something more about it, it will only become worse.

This remarkable economic growth of South Korea, the failure of North Korea's socialist economic system, the rapid industrialization and a huge amount of energy consumption by China all are the culprits contributing to the pollution of environment in East Asia. To discuss these common problems, I am planning to hold a conference to which North Korea, China, Japan, Mongolia, Taiwan, and Russia will also be invited. In this conjunction, I also propose that an Asian environmental summit be held to find better ways to promote cooperation on environmental issues.

Finally, I would like to discuss my views on how we can develop a healthier relationship between the United States and Korea. There is no doubt that many Koreans remain appreciative of many constructive roles that the United States has played in the security and economic growth of their country in modern history. The people of Korea, along with those of the international community, believe that the United States, the only remaining superpower in this post-Cold War era, should play a leading role in the establishment of a new world order based upon a principle of mutual reciprocity.

At the same time, we want to see U.S. policy for Korea become more supportive of Korean unification. It should not in anyway contribute to the perpetuation of the divided Korea.

For the bilateral economic relations, I support Korea's market opening, but I oppose unfair pressure from the United States on the process of market opening.

Before I conclude, I want to say again, ''an era of confrontation and conflict is gone.'' In the new era of political negotiation and democratic compromise, the old political strategy of ''all or nothing'' will not work. I would not be shy to say that I am the one who can lead Korea towards a better nation in the next century, with a kind of new leadership of vision, open-mindedness, balance and creativity.

I want to create a new political culture of dialogue, through which the nation can build a non-partisan consensus on important national issues. I will pursue a democratic compromise rather than trying to impose a unilateral view of one party or one group on the people.

I also want to mention that Korea's political achievement owes a lot to many supporters from several countries, and particularly from America. I want to lead Korea, and under my leadership, Korea will pay back its debts to many friends of democracy and human rights.

Thank you very much.

CONGRATULATING THE MIDWAY, TX, ALL-STARS BOYS BASEBALL TEAM FOR WINNING THE STATE CHAMPIONSHIP

HON. CHET EDWARDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. EDWARDS. Mr. Speaker, today I congratulate the Midway, TX, 10-year-old All-Stars Boys Baseball Team for an unbelievable comeback on the road to clinching the Texas State Championship.

The 12 young men on this team showed a winning attitude in late July when they were one game away from elimination in the Texas State tournament. The All-Stars lost the first game of the championship and were faced with a difficult situation: win every single game or be eliminated from the tournament.

The Midway All-Stars rose to the challenge. The team battled back to win four straight games, one of which went into extra innings. In the final championship game, the Midway All-Stars won 3–1 to bring home the State championship.

Everyone of these young men showed a can-do, never quit attitude. Even when they were faced with a nearly impossible situation, they showed pride, diligence, and dedication. They played as a team and won as a team.

Members of this championship squad include Tyler Andersen, Scott Boyd, Brady Conine, Craig Cunningham, Stephen Davis, Charlie Hicks, Jake Lee, Alberto Lopez, Ryan Lormand, Brandon Maddux, Jake Reichenstein, and Matt Reinke.

Thanks also go the Manager Brad Davis and Coach Butch Maddux for their work leading these young men.

I ask members to join me in congratulating this championship team and their coaches for this outstanding athletic accomplishment.

MERCY HEALTHCARE CELEBRATES 100 YEARS OF SERVICE

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. MATSUI. Mr. Speaker, I rise today to recognize one of northern California's greatest medical resources, Mercy Healthcare, on the occasion of its 100th year of hospital service to this area.

The Sisters of Mercy began making their mark on this area some 140 years ago when they traveled from San Francisco to Sacramento, then an emerging Gold Rush town. Once here, they compassionately administered to the poor and the orphaned, offering basic necessities such as food, clothing and shelter.

Recognizing a greater need for health care, the Sisters quickly embarked on an endeavor to build an institution which would care for the medical needs of the people of Sacramento. Their dream was realized in 1896, when they opened the city's first private hospital.

In 1897, shortly after they opened Mater Misericordiae Hospital, the Sisters started a training school for nurses. Over the next half century, the Mercy College of Nursing would train more than 600 nurses, including many young women who traveled overseas to care for the injured and dying victims of both World Wars.

Less than 30 years after it opened, the hospital was closed and a new, more modern one took its place. The new hospital opened to the public on February 11, 1925. For the next 42 years, it would serve as the Sisters' only Sacramento area hospital, and the focal point for their evolving healthcare ministry.

Throughout this period, Mercy General would provide many firsts in the local medical community. In 1953, the hospital campus celebrated the opening of Sacramento Valley's first hospital dedicated solely to the care of children, the 40-bed Mercy Children's Hospital. A year later, the hospital dedicated the J.L.R. Marsh Memorial Wing to care for children crippled during the polio epidemic, as well as adults injured in industrial accidents. In 1959, the hospital opened Sacramento's first intensive care unit; in 1964, Mercy installed one of the west coast's first electronic data processing systems for accounting; and in 1968, they dedicated a special unit to provide care for heart patients. Today, Mercy General's tradition of quality continues, hosting one of the Nation's best cardiac surgery programs and a renowned stroke program.

As the region's healthcare needs changed and grew over the years, the Sisters were always poised to respond. Since the opening of their first hospital, Mercy has expanded its service to a number of communities in northern California. In addition to Mercy Healthcare Sacramento, there are now hospitals in Redding, Folsom, and Carmichael. In addition, the Sisters spread their health ministry south in 1993 with an affiliation between Methodist Hospital and Mercy Healthcare Sacramento, the organization that today carries out the Sisters' health ministry. Another affiliation between Mercy and Sierra Nevada Memorial Hospital in Grass Valley was completed in 1995.

Guided by the Sisters' values and compassion for serving those in need, Mercy Healthcare Sacramento is preparing to enter its second century of health ministry to the people of northern California. Mr. Speaker, I ask my colleagues to join me in saluting the tremendous service the Sisters of Mercy have provided this region during the past century, and in wishing them many years of continued growth and success.

UNITED STATES ARMED FORCES PROTECTION ACT OF 1996

SPEECH OF

HON. GLENN POSHARD

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 5, 1996

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 3308) to amend title 10, United States Code, to limit the placement of United States forces under United Nations operational or tactical control, and for other purposes:

Mr. POSHARD. Mr. Chairman, I rise today in support of H.R. 3308, the U.S. Armed Forces Protection Act. The American people

have made it clear that they want any American role in United Nations peacekeeping missions to be well structured and in the best interests of our country, with the safety of our troops being at the forefront of these considerations. I believe that this legislation goes a long way toward ensuring this by demarcating and preserving the role of Congress in the process of placing American troops in such situations. The intent of this measure is to be absolutely certain that when U.S. troops are involved in U.N. peacekeeping operations that they will be serving under American leadership. Further, the process by which the President will outline such missions to Congress can only aid the planning and support mechanisms critical for success. In my view, H.R. 3308 is not about restricting the actions of any President, but about making sure that the executive and legislative branches are on the same page when U.S. troops take part in actions sponsored by the United Nations.

I have supported provisions of this legislation when they have appeared in other bills, notably H.R. 1530 and H.R. 2540. The spirit of the latter is included in H.R. 3308 via the Bartlett, Chenoweth, and Traficant amendment and prohibits the wearing of the U.N. insignia by U.S. troops without the authorization of Congress. This should prevent future unfortunate incidents such as the events surrounding the dismissal of Michael New.

Mr. Chairman, in closing, I would like to emphasize that my vote today should not be construed as one against the United Nations, as I firmly believe that this body has a role to play in international relations. As evidenced in the Gulf War, the U.N. can be an effective coordinating device for the international community during times of crisis, thereby promoting the interests of the United States at a reduced cost from acting unilaterally. Also, the United Nations provides invaluable leadership on such issues as world hunger, which have historically been embraced by the U.S. populace. Rather, my vote is for the men and women that serve their country bravely as part of the U.S. Armed Forces. I urge my colleagues to support H.R. 3308, and I appreciate the opportunity to share my thoughts on this matter.

REPORT FROM INDIANA—DALE ANDERSON

HON. DAVID M. McINTOSH

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. MCINTOSH. Mr. Speaker, I'd like to include in the RECORD a very special letter that a constituent sent to me.

The letter was sent by Dale Anderson from Shelbyville, IN. Mr. Anderson wrote about the memory of his late wife, Carla Anderson. He describes Carla's hope of a bright future for our country.

And I would like to share his letter for our friends and colleagues.

Hon. NEWT GINGRICH,
Speaker of the House, House of Representatives, Washington, DC.

DEAR MR. GINGRICH: I am writing this letter in memory of my wife, Carla. Unfortunately, she passed away on November 15, 1995. She was one of your greatest supporters and in favor of all your legislative agenda.

It was her hope and dream to see this country given back to the people, to protect our children and grandchildren from the grips of the liberal party of this nation. If everyone was as strong in their conviction to be a conservative Republican as she was, our country would be in better shape today. She wouldn't want the conservative lawmakers to back down on any of their legislative agenda or your contract with America.

We were on a $900.00-a-month Social Security.

She has your picture hanging above our telephone in the dining room and she was very proud of it. If all the Republicans in this country were as strong in their convictions to get this nation back on its feet as she was, you'd have no trouble passing your legislative agenda.

It would be a great honor to her if you would read this letter on the house floor with all members present. We live in the Second Congressional District of Indiana with the Honorable David McIntosh serving as our representative.

KASSEBAUM-KENNEDY PORTABILITY FOR MEDIGAP INSURANCE

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mrs. JOHNSON of Connecticut. Mr. Speaker, a few weeks ago, the Congress passed and President Clinton signed into law Federal guarantees that workers with health insurance cannot be denied coverage when changing or leaving jobs because of a preexisting condition. This is an important first step to improving access to health care for those who play by the rules and pay their premiums.

We owe the same guarantees to our senior and disabled constituents, and so today we are introducing a targeted portability bill for Medigap insurance.

People on Medicare who have a Medigap plan, or are in an HMO or Medicare Select plan should be able to purchase the same level of coverage without regard to a preexisting condition when they move out of the service area or if the insurer goes out of business.

Seniors and the disabled who want to try a managed care plan or a Medicare Select policy should have the peace of mind that they can return to their Medigap plan if they change their mind during the first year of their enrollment and have not tried these choices before.

As employers grapple with rising health care costs, their valued retirees should not be left out in the cold if their health plan coverage is terminated.

And very importantly, disabled individuals around the country should have the access to all Medigap choices that Medicare enrollees who are fortunate enough to live in Connecticut have, where we were smart enough to guarantee this access.

Proposals have been made to do more—just as have been made for health insurance reform.

My colleagues in the House and Senate who join me today in this initiative began this process with me last year when Senator CHAFEE and I helped make available nationwide the Medicare Select option which helps seniors save money on their Medigap insurance by using a network of participating providers. During that debate, worthwhile proposals to improve Medigap equity were made, and I am pleased that this bill moves this debate forward.

Like Kassebaum-Kennedy, our Medigap portability proposal is a first step to create fairness for people on Medicare who play by the rules to cover the costs Medicare does not.

H.R. 4047

MEDIGAP AMENDMENTS OF 1996

Insurers must guarantee issue Medigap insurance—with no preexisting condition limitations—to Medicare beneficiaries provided:

They have had continuous coverage (no break in coverage longer than 2 months/63 days); and

The policy in which they wish to enroll has a comparable or less generous benefits package.

This portability protection would apply to the following Medicare beneficiaries:

Individuals enrolled in a Medicare HMMO or Medicare Select plan and who move outside the plan service area, or if the plan goes out of business or withdraws from the market;

Individuals with Medigap policies who move to a state where their carrier is not licensed to do business, or whose carrier withdraws from the market;

Individuals with retiree health plans providing benefits supplemental to Medicare and whose employer terminates or substantially reduces plan benefits; and

Individuals enrolled in a Medicare HMO or Medicare Select plan who, during their first 12 months of enrollment in either plan type, choose to return to Medicare fee-for-service. In these situations, the following may apply:

Medicare beneficiaries will have a one-time option to try both a Medicare HMO and a Medicare Select plan.

Individuals electing HMO or Select coverage when first eligible for full Medicare benefits have up to 12 months to change their minds. During the first 6 months of their Medicare eligibility, they retain their current law ability to enroll in any Medigap plan without regard to preexisting conditions. Between 7 and 12 months, they will be able to obtain coverage comparable to the benefits offered by the plan in which they have been enrolled.

Individuals with coverage from a Medicare HMO or retiree health plan often have supplemental benefits which do not neatly fit one of the standard Medigap ''A through J'' policy definitions. In these cases, the state insurance commissioner will evaluate the plan to determine the most equivalent Medigap policy into which the individual could transfer.

Insurers may impose no preexisting condition limitation during the initial six-month enrollment period after a beneficiary first becomes eligible for Medicare.

All Medigap plan choices will be guaranteed for the Medicare disabled. Anyone will be able to enroll in a Medigap plan of their choosing without discrimination during the first six months of their eligibility for Medicare benefits, regardless of age. Current Medicare disabled beneficiaries will have a one-time open enrollment period to guarantee their access to all Medigap plan options.

Private organizations will be able to prepare consumer education and information materials through HHS grants funded by an assessment on Medigap insurers and managed care organizations. Information would be made available to Medicare beneficiaries and their families about the Medicare HMOs, Medicare Select policies, and Medigap insurance offered in their areas. Materials would include a comparison of benefits, cost, quality, and performance and the results of consumer satisfaction surveys of each plan.

TRIBUTE TO REV. DAVID A. MUELLER

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Ms. ROS-LEHTINEN. Mr. Speaker, Rev. David Mueller has devoted the past 32 years of his life to parish ministry, including 15 years of service at Concordia Lutheran Church in south Dade County.

This Sunday, September 15, Reverend Mueller will retire from his full-time parish ministry and this will be marked by a special service at Concordia. Along with his wife Cassie, his children, Paul and Becky, and his brother and sister, the congregation will be joined by his former classmate Rev. Ronald Schuette in recognizing Reverend Mueller's contributions.

Reverend Mueller has provided leadership based on faith and compassion throughout the past three decades. He has served as a chaplain to the men and women of three branches of our armed services, the Navy, Marine Corps, and Coast Guard. He ministered to our troops in Vietnam, where he was present during the Tet offensive, and later to those who serve in the U.S. Coast Guard. As a reservist, Reverend Mueller pioneered the circuit-riding ministry with the 7th District Coast Guard cutters and was awarded the Coast Guard Achievement Medal in 1989 for this work. The Lutheran Church also recognized his work with the Bronze Saint Martin of Tours Medal.

South Florida has been the primary beneficiary of Reverend Mueller's labors. His first assignment, following graduation from Concordia Seminary in 1964, was to develop congregations in the Florida Keys. After serving as an active-duty chaplain, he returned to south Florida in 1975 as pastor of Concordia in Kendall.

Reverend Mueller has also been active in the field of human care ministry. In addition to his theological education, he was awarded a master's degree in counseling from the University of Miami. Reverend Mueller has served as director of Christian counseling for the Christian Community Service Agency in Miami.

He has lent his background and leadership to a number of community efforts, including the Lutheran Disaster Response which worked to ease the suffering inflicted by Hurricane Andrew.

As he lays down the burdens of full-time parish ministry, Reverend Mueller will now devote himself to pastoral counseling, as well as temporarily serving as a vacancy pastor at Mount Olive Lutheran Church and School in Perrine. While all the members of his congregation will miss him, the example he has set will continue to be felt in the years to come. Reverend Mueller can look back over his years of work and say, in the words of Saint Paul, ''I have fought the good fight, I have finished my course, I have kept the faith.''

THE CLUSTER RULE FOR THE PULP AND PAPER INDUSTRY

HON. JAMES A. HAYES

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. HAYES. Mr. Speaker, since it was first proposed in 1993, I have been one of the most outspoken critics of the Environmental Protection Agency [EPA] effort to institute comprehensive regulations of air emission and water effluent limitations for the pulp and paper industry.

The Clean Air Act of 1990 mandates the EPA set standards based upon maximum achievable control technology [MACT] for new and existing standards for 189 hazardous pollutants listed in the act. Similarly, the Clean Water Act authorizes the EPA to regularly amend effluent requirements that establish restrictions on the types and volume of pollutants that industrial facilities may discharge. Subsequently, in October 1993, EPA promulgated rules specifically designed to combine or cluster these requirements with respect to regulating the pulp and paper industry. This so-called cluster rule has become a prime example of how Federal regulators lose sight of the big picture and waste taxpayers dollars by working against the regulated community instead of with it to protect the environment.

Since agreeing to analyze industry collected data, the process has accelerated and run much more smoothly and unobtrusively. Yet, EPA is at it again by offering two possible best available technology [BAT] alternatives that their own data indicates are almost $1 billion apart for virtually identical environmental benefit. Substantial further investments in capital improvements without accounting for industry input will further jeopardize workers and their families for negligible environmental gain.

The substitution of chlorine dioxide for chlorine or Option A is already voluntarily being implemented across the country to enhance environmental effectiveness and is supported by both employers and employees throughout the pulp and paper industry. Although never a consequential source of dioxins, since 1985, the industry has decreased the amount of dioxins generated by almost 90 percent. The more costly options B could end up costing pulp, paper, and forestry operations in Louisiana alone an estimated $133 million more than option A.

The pulp, paper, and forestry industry is the second largest manufacturing sector in Louisiana. The industry employs nearly 27,000 workers earning almost $900 million.

Common sense, therefore, dictates that an industry that is this important to the past, present, and certainly the future economic good fortune of our State and its citizens merits praise, not punishment. The industry has been progressive in its commitment to the stewardship of our natural resources in Louisiana. Option A along with the appropriate voluntary incentive program will afford the pulp, paper, and forestry industry, employers and workers alike, the opportunity to better contribute to Louisiana's economy, provide for their families, and protect our environment. After all, in Louisiana, our marshes, our rivers, and our bayous as well as our great wilderness and the wildlife that resides there are not only a recreational delight but an economic necessity.

With all this in mind, I urge EPA to break from its inherent institutional culture and institute option A.

TRIBUTE TO THE NORTHPORT VETERANS AFFAIRS MEDICAL CENTER AND THE NASSAU/SUFFOLK CHAPTER OF AMERICAN EX-PRISONERS OF WAR IN HONOR OF THE 1996 POW/MIA RECOGNITION DAY CEREMONY

HON. MICHAEL P. FORBES

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. FORBES. Mr. Speaker, I rise today to pay tribute to the Northport Veterans Affairs Medical Center and the Nassau/Suffolk County Chapter of American Ex-Prisoners of War, in honor of the 1996 POW/MIA Recognition Day ceremony they are sponsoring on Monday, September 16, in Northport, Long Island, NY.

Joining Commander Martin Andrews of the Nassau/Suffolk Chapter of American Ex-Prisoners of War and Director E.M. Travers, M.D. of the Northport Veterans Affairs Medical Center will be former prisoners of war, who will share their own personal accounts of their time in captivity.

I strongly believe the Federal Government has a sacred responsibility to determine, to the fullest extent possible, the fate of our missing military personnel and to share that information with their family. That's why we must provide due process for those who are desperately seeking the true fate of their loved ones and establish accountability measures for all American military service personnel who become missing in action or prisoners of war.

As a former prisoner of war, Commander Andrews knows firsthand the personal pain and suffering of being imprisoned by a wartime foe. That's why he and his wife volunteer at the Northport VA Medical Center's VIP (Very Important Patient/Persons) Customer Service Enhancement Program, to give something back to these true American patriots. The VIP Program recognizes valuable employees and volunteers as ambassadors who are committed to improving service to our veterans.

VA–VIP ambassadors greet visitors, answer questions about the medical center, provide directions and assistance to those needing help getting from their car, and provide care and courtesy to all visitors. This is the kind of program our brave service men and women have earned the right to expect and deserve.

As we gather together on September 16 to pay the highest honor and tribute to ex-prisoners of war like Arnold Bocksel, who will be on hand to give his own personal reflections of his time in captivity, I call upon my fellow Members of Congress to join me in expressing personal heartfelt thanks and gratitude for their outstanding service to our country.

Thank you Commander Andrews, Senior Vice Commander Thomas McGee, Junior Vice Commander Raymond Ives, and all members of the Nassau/Suffolk Chapter of American Ex-Prisoners of War, we are all glad to have you back.

FOREIGN MINISTER JOHN CHANG OF THE REPUBLIC OF CHINA

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. CLINGER. Mr. Speaker, President Lee Teng-hui of the Republic of China appointed Mr. John H. Chang as his new Foreign Minister in June 1996. Educated at Georgetown University, Minister Chang served previously as the Republic of China's political Vice Minister of Foreign Affairs and most recently as Minister of Overseas Chinese Affairs. At age 55, Minister Chang is a distinguished career diplomat and will certainly strengthen the ongoing relations between his country and ours.

Minister Chang came from a very deprived childhood. He and his twin brother, Winston H. (Hsiao-tz'u) Chang, were raised by their maternal grandmother and uncle. Overcoming their extreme poverty and lack of parental attention, the brothers struggled, worked hard and rose to positions of prominence: John H. (Hsiao-yen) is now the Foreign Minister and Winston H. (Hsiao-tz'u) was the president of Soochow University before succumbing to heart ailments last year.

In a moving chronicle, ''Days of Shelled Peanuts,'' the late Dr. Winston H. Chang detailed the hardships he and his brother endured during those years of deprivation. I ask that the chronicle be printed in the RECORD for the reference of students of contemporary Chinese history.

DAYS OF SHELLED PEANUTS

(By Winston Hsiao-tz'u Chang)

My twin brother Hsiao-yen and I were born in Kweiling, Kwangsi province, in 1941. Soon after our birth, our maternal (hereafter, Grandmother) took us to her home in Kiangsi province. In 1949 Grandmother and our maternal uncle (hereafter, Uncle) moved us to Hsinchu, Taiwan where they raised us.

When our mother died, Hsiao-yen and I were infants. We have no memory of our mother. But Grandmother described her as a loving daughter who wrote a good script. Grandmother said our mother was pretty, elegant, decisive and competent. I later found some information about Mother, along with pictures of her. I learned that soon after high school she volunteered in the War of Resistance against Japan by joining the Youth Corps. During her training in the Youth Corps, she worked as hard as any man. Mother was not reticent; she was resolute and ready to take on any assignment. Mother was considered a modern woman with new ideas.

My maternal grandfather (hereafter Grandfather), who lived in Nanchang, was quite wealthy. I left his Nanchang home when I was six years old. I remember Grandfather's home as being very big. It had a very imposing main door with two huge brass door rings. A pair of stone lions guarded each side of the main door. A large courtyard was enclosed on four sides by two-story buildings. It was an impressive compound. Grandfather was a typical scholar. He recited poetry, composed literary couplets, read classics, and practiced calligraphy. As a young man he had passed a number of examinations, including the village examination, the county examination and the provincial examination. Local people honored him with the title of ''Mini Triple Crown.'' He was born too late to have taken the national examination; when he was of age, the national examination was no longer given. Yet he was so erudite that he would have passed the national examination with top honors if he had taken it. Grandmother, on the other hand, was a kind woman with a firm and perservering personality. Despite her love for us, she never wavered from her strict principles of child rearing.

The 1940's in China were a period of upheaval. The family elders deliberated much about whether the family should leave China. Grandfather did not want to leave behind his vast fortune, including land and property, or the children. But Grandmother and Uncle finally decided to take Hsiao-yen and me to Taiwan.

Grandmother took some cash and jewelry with her to Taiwan. Believing that her stay in Taiwan would be brief, she did not take much money with her. What she brought with her was enough to support her family for a short time. But it soon became difficult to meet living expenses. Because everyone in Taiwan was poor, everyone's living standards were about the same. So our family's financial condition was not exceptional. Even though we had little we didn't feel any pain.

To make a living, Uncle made bread buns at home which he sold in the market. Later, he sold various small items, such as fountain pens, socks, and plastic bags. I went with him everywhere. I quickly understood that without Uncle's hard work, we would have trouble making ends meet.

We were so poor that we could not afford to buy shoes, so Grandmother made cloth shoes for us. My brother and I were usually barefoot when we went to school. All of our schoolmates were barefoot too, so no one had anything to complain about. Furthermore, not wearing shoes helped us run fast. We loved playing. We didn't care how hot or how cold the ground was. When we had to wear shoes on more formal occasions, we felt uncomfortable.

We dressed in our khaki school uniforms most of the time. Pencils and paper were used very sparingly. Buying a new pencil was a special occasion. A fountain pen was considered a fantastic luxury item. At the time I most admired those children who had bicycles; these children seemed to have the most fun. I wanted to borrow their bicycles to see if I could ride one.

Our home was very modest. It didn't even have a bathroom. At the time Uncle was peddling soap so we used a few wooden soapbar crates to partition a small corner of the kitchen, which we converted into a bathroom. To take a bath in winter we boiled water in a kettle, poured the hot water into a wooden tub and mixed it with cold water. Later, the wooden tub was replaced by a thicker aluminum basin. We used a homemade soap to bathe ourselves. That was a good snapshot of how we lived.

Sometimes we were so poor that we could not afford to buy rice. We had previously charged our rice and not paid our bill on time, so the rice vendor would not extend us any further credit. Then Uncle used flour, which was cheaper than rice, to make bread buns, which was many times all we ate. Sometimes Uncle would serve vegetables mixed with flour balls. When we could not afford flour, we ate peanuts. When we came home from school, if we saw Uncle kneading dough we knew we would be eating bread buns. But if we saw a big bundle wrapped in a newspaper, we knew we would be having peanuts for supper. We would first shell the cooked peanuts one by one and then eat them. Sometimes we ate peanuts for several days. But I am glad to have lived through those early days of deprivation. They helped build my character from an early age. I had no doubt that life is a struggle.

We had two bamboo beds in our house. Grandmother used the small one while Hsien-yen and I shared the big one. We pinched and poked each other every night until we reached senior high school. Those days gave me fondest memories of childhood.

I attended the Tungmen Primary School in Hsinshu. Most of my classmates were Taiwanese, so I learned to speak Taiwanese fluently. When I was in junior high school, Ms. Lu Hua-hsien was a mathematics teacher at a Chungli high school. A friend of the family, she suggested that my brother and I stay with her so she could help us build a good foundation in mathematics. So during three years of junior high school my brother and I lived with this Hakka lady and became very proficient in the Hakka dialect.

Grandmother and Uncle loved us totally, but they never spoiled us. They were very strict regarding our studies and manners. They had rules on grooming, dressing, eating properly and greeting elders appropriately. But I was certainly not a perfect child. I detested going to a tutor for supplementary lessons. As soon as I got to the tutor's home, I would quickly sneak out and go to a movie theater. Upon spotting an unsuspecting paying patron entering the theater, I would sneak in with him without paying. When the movie was over, Grandmother and Uncle would be waiting for me outside of the theater. They knew where I was. When they caught me, I had to kneel on the ground for punishment. After that, Grandmother would patiently explain why such harsh punishment was necessary.

Despite the strict discipline at home, I could not understand why I had to study hard. My casual attitude towards studying continued even during my junior high school years. Most of my classmates were from farming families. By our standards, they were extremely unruly. We would finish eating our lunch by ten o'clock. Then during the noon recess, we engaged in many activities. We filled our empty lunch boxes with shrimp and worms we caught in the fields. We then built a fire and feasted on what we had caught. In the summer I would go swimming in the river with my classmates. I really enjoyed the outdoor activities.

Although I played a lot with my friends, I kept up with my schoolwork because Grandmother and Uncle made sure I did not neglect my homework. During our junior high school days, Uncle made Hsiao-yen and me copy our Chinese and English lessons after school. Otherwise he would not give us any pocket money. Uncle believed that even if we didn't learn anything, at least copying the lessons once every day would help us remember something. In addition, we would learn good penmanship. Yet, in primary and junior high schools I never studied on my own initiative. However, seeds for learning were planted early in life; they began to sprout when I was in senior high school. I suddenly understood how to study on my own. I tasted the joy of learning.

Hsiao-yen and I attended Soochow University, but my family's financial condition was not any better at that time. A private school, Soochow charged high tuition. In addition to tuition, there were the living expenses. We never had enough money. We took our meals at a small eatery, but we could never pay our board on time every month. The man running the eatery was very nice. Even if we were behind in payments, he didn't force us to pay and continued to let us eat our meals there. He had an ingenious strategy. He hung a blackboard in his eatery and underneath everyone's name was a Chinese ideogram composed of five strokes. For each day that we didn't pay for our meal, he would add a stroke to the ideogram. He would later erase strokes, depending on how much we paid. Every month, Hsiao-yen's and my name would go on the E1586blackboard, some-

times accumulating more than ten strokes. We could not pay until we received money from our uncle in Hsinchu.

We had the same problem with our rent. We lived in a very tiny room with a bathroom right outside our room. We chose that room because it was cheap. When we failed to pay the rent, the landlord would embarrass us by raising his voice so that others could hear him. My brother and I had no choice but to swallow our pride and continue to live there. As for tuition, we had more than once asked Mr. Shen Ping to be our guarantor. He would take us to see the president of the University, praising Hsiao-yen and me as good students and asking that we be allowed to enroll before paying tuition since we didn't always have the tuition money on time. He also wrote a guarantee, pledging to pay our debts if we didn't. Through these delaying tactics, we were able to finish our college.

From a very early period, Grandfather taught my brother and me to recite poetry, and Uncle taught us classical Chinese. Because of these early lessons we had an interest in Chinese studies. After entering Soochow University, I enjoyed my Chinese studies classes very much—like a fish taking to water. But during my freshman year, a law suit against my uncle determined my career choice.

That trouble started with my uncle. He had borrowed money from someone and did not pay it back. But the lender didn't start any legal actions against my uncle; someone else went to the court and asked the court to seize our house. Uncle became very upset and he felt he was not being fairly treated. It was true that he owed someone money, but he felt it would be more appropriate for the lender to sue him instead of a third party. After the lawsuit was filed, Uncle had no idea about how to respond. He tried to study the law books of the Republic of China. It was all to no avail. He couldn't prevent his house from being seized.

Uncle's trouble devastated me. I thought that if I were a law student, I would know how to help my family. At the very least, I would be able to write petitions and to comprehend the legal procedures. Perhaps our legal rights would have been preserved and our house might not have been seized. After witnessing my uncle's misfortune, I made a quiet decision that I would switch from Chinese studies and study law.

The first year, there were many candidates for the law program. Only one space was available that year, but I placed second in a competitive examination. So I didn't get into the law program and felt very bad. The following year, there was no space at all. The third year I still wanted to switch to law, but a teacher told me that since I already had two years of Chinese studies, I would have wasted a lot of time because I would have to start from the beginning again. He advised me to finish my degree in Chinese studies first. If I switched to law after that, I would have a solid foundation in Chinese language training and would be a better lawyer because of my language skills. He also told me about a few well-known attorneys who were Chinese majors first before they studied law. The teacher suggested that I follow that route.

He convinced me to wait. I finished my degree in Chinese studies, served in the Army, and then returned to Soochow University as a sophomore majoring in law. The law program at Soochow takes five years to complete, so I spent a total of eight years, earning two bachelors' degrees from Soochow University.

Because I had tasted the joy of learning, I was a better law student than most. Right before an examination, my classmates would often ask me to help them review our course of study. Because of this type of prepping fellow classmates, I gained a very good understanding of law.

After Soochow University, I traveled to the U.S. for graduate studies. First I received my Master's degree in political science from the Southern Methodist University in Texas. Later I received my L.L.M. and J.D. degrees from Tulane University in New Orleans, Louisiana. When I returned to Taiwan in 1978, I was thirty-four years old. I was very glad that I had completed my studies by the age of 35—in accordance with the timetable I had set up for myself.

I have always maintained that you have to be very serious about your studies before you can reap any rewards. Your determination decides what you will achieve. Regardless of what stage or level of learning you pursue, you must always be enthusiastic about learning and you must never stop gaining knowledge. When I studied in the U.S., I totally immersed myself in my studies. Nothing distracted me. For example, my classnotes were sometimes sloppy because I had taken them very quickly. After I returned home, I listened to the tapes I had made of the class and recopied all of my classnotes so I would have very neat notes to review later. Only after such painstaking work was I able to identify the issues I needed to focus on as well as grasp the professor's main points. Later when I became a teacher, I shared my learning experiences with my students.

I was in the United States for six years. In order to earn money for tuition I worked every summer. The first summer, a friend of an American roommate gave me a ride every day to a construction site. I helped lay foundations for houses. American houses are very simple to construct. My fellow workers and I would dig a hole in the ground, set up steel rods and pour cement. The rest would be taken care of by a different crew. So our foundation crew moved rapidly from job site to job site. The Texas sun is very hot, and I perspired profusely. The first day after work, my fingers were bruised and bleeding so I had to wrap them in bandages. The following day I wore gloves. A few days later, I wore out my gloves. For the entire summer, I worked with my hands, laying crude steel rods and pouring cement. I earned only three dollars an hour. But it was good money then, and I didn't mind all the hard work.

I also worked as a waiter. I started out as a busboy; my job was to help waiters move tables, to clear tables for waiters, and to take the dirty dishes to the kitchen.

Besides construction work and waiting on tables, I also worked as a security guard at a beer factory and at a bank. Wearing a tight-fitting uniform and carrying a gun, I made my rounds every hour. The rest of the time was essentially mine. It was easy work and the job was ideal for me. I had plenty of time to study. That summer, I had enough spare time to translate a law book into Chinese.

Grandmother is the most important person in my life. Hard times in Taitung did not overcome her. She always told us that poverty would never crush anyone and that everyone must have pride and ambition. She never mentioned our father. When we were kids, we would ask her about him. She assured us that our father was an upright and courageous man—a very good man. Our thoughtful and loving grandmother enabled us to have a normal childhood and taught us to be resourceful and respectful.

When I was in the last year of senior high school, Grandmother was already in poor health. She still got up early every morning to do some light housework such as dusting tables and chairs. She patiently welcomed each new day. Then one morning it was eerily quiet. I did not hear her comforting activity. When I rushed to her bedside, she had already died in her sleep.

Grandmother has passed on. I will never forget what she taught me. She instilled a typical Chinese attitude that has deeply permeated my life. Grandmother has enabled Hsiao-yen and me to live normal productive lives despite all the speculation about our parents. Grandmother gave Hsiao-yen and me the support to live our lives with dignity and pride.

Ten years ago when I finished my studies in the U.S., Soochow University happened to have a teaching position available. So I returned to my alma mater to start a career in academia. I have always been attracted to law. I have always believed that for a country to thrive, it must have its own body of law. For example, if the United States did not have a strong legal system and Constitution, all of its material goods and scientific progress would not be enough to sustain its social cohesiveness. Here in Taiwan we must head in a similar direction. It does not matter what career a person has chosen—whether education, academic studies, administration or any other field—he too can serve both his society and country and find meaning in life if he is totally dedicated and selfless. Even though not all of us will be successful in all we do, as long as we do our best in our chosen field, we will be completely fulfilling our mission in life. This is my attitude towards life. This is what I expect of myself. This is what I pledge to myself for now and the future.

EXPORTS, JOBS, AND GROWTH ACT OF 1996

SPEECH OF

HON. RICK LAZIO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 10, 1996

Mr. LAZIO of New York. Mr. Speaker, I rise today in favor of U.S. exports, quality jobs for American workers and H.R. 3759. This bill reauthorizes the Overseas Private Investment Corporation [OPIC] which plays a crucial role in encouraging and supporting U.S. private investment overseas. This bill is important to my home State of New York which ranks behind only California and Texas in total exports.

OPIC enables U.S. companies to play a major role in overseas markets. Since the breakup of the Soviet Union this need has become greater, and there is no better time for American companies to get a foot in these markets than now and by passing this bill, we will create jobs for Americans through the exports which are created. By the end of this month, OPIC estimates that their projects will generate $6 billion in U.S. exports and nearly 20,000 jobs.

OPIC operates as a self-sustaining institution, and there is no cost to the taxpayers. In fact, OPIC generated an income of $189 and had reserves of more than $2.4 billion and since 1971 OPIC has supported investments that will generate more than $43 billion in exports.

I ask my colleagues to join me in voting for a pro-jobs, pro-American measure.

FEDERAL AVIATION AUTHORIZATION ACT OF 1996

SPEECH OF

HON. BOB FRANKS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 10, 1996

Mr. FRANKS of New Jersey. Mr. Speaker, today I rise in strong support of H.R. 3539, a bill which would reauthorize the Federal Aviation Administration. Although this bill contains many worthwhile provisions that will modernize and improve the FAA, I commend to my colleagues' attention an amendment I offered during committee consideration of this legislation that is of particular importance to my constituents, many of whom have been severely impacted by aircraft noise. Specifically, my amendment would establish the position of aircraft noise ombudsman within the FAA. My colleagues may recall that a nearly identical provision passed the House last March as part of H.R. 2276, the Federal Aviation Administration Revitalization Act of 1995.

The idea of an aircraft noise ombudsman is long overdue. In my home State of New Jersey, the FAA has either arrogantly dismissed or totally ignored the pleas from my constituents for relief from intolerable aircraft noise. After the Expanded East Coast Plan [EECP] was implemented by the FAA in 1987, it took years for the FAA to even react to the significant increase in aircraft noise over New Jersey that resulted from their policies. The adoption of my amendment would ensure that the American people have an advocate in the FAA bureaucracy who will represent the concerns of residents affected by airline flight patterns.

My amendment also gives citizens someone to turn to should they have a comment, complaint, or suggestion dealing with aircraft noise. As the experience in New Jersey demonstrates, the FAA views the very real concerns of constituents regarding aircraft noise as nothing more than a minor inconvenience. For example, when the FAA was flooded by telephone calls from irate citizens after the EECP was implemented, their response was to belatedly install an answering machine on a single telephone line which was constantly jammed and to which citizens were unable to get through. The insensitivity of this agency can no longer be tolerate. Our constituents deserve to talk to a real, live human being who can answer their questions about the decisions that directly affect their quality of life.

Madam Speaker, my amendment is extremely important to the people of New Jersey and to the residents of any area that could find themselves severely impacted after the FAA announces a change in flight patterns. Already, my congressional office has received inquiries from around the country asking for the phone number of the aircraft noise ombudsman. I am sure the citizens who hear aircraft noise constantly, be they in New Jersey, Denver, or St. Louis, will be heartened by the passage of H.R. 3539.

Of course, this new position will only be as effective as the person occupying it. This is why I will be recommending to the administrator of the FAA that a person from outside the FAA, preferably from a citizens' aircraft noise organization, be appointed to fill this position. For example, a member from New Jersey Citizens Against Aircraft Noise [NJCAAN] would make an ideal aircraft noise ombudsman. NJCAAN members are personally familiar with the problem of aircraft noise, and understand the frustrations of citizens affected by aircraft noise.

Furthermore, NJCAAN members are knowledgeable about how the FAA bureaucracy operates. An aircraft noise ombudsman from NJCAAN would also have a reservoir of credibility with the public on this issue—something the FAA sorely lacks. For these reasons, I will be urging the FAA to carefully consider a NJCAAN member for this position.

Madam Speaker, Chairman DUNCAN has done a superb job on this legislation. I also commend Dave Schaffer and Donna McLean of the House Aviation Subcommittee staff for their hard work on this worthy bill.

Madam Speaker, my ombudsman provision is extremely important to the residents of any area of the Nation affected by aircraft noise. I urge my colleagues to vote yes for this excellent bill.

CONFERENCE REPORT ON S. 1316, SAFE DRINKING WATER ACT AMENDMENTS OF 1996

SPEECH OF

HON. THOMAS J. BLILEY, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 2, 1996

Mr. BLILEY. Mr. Speaker, earlier this summer, the Congress passed S. 1316, the Safe Drinking Water Act Amendments of 1996, a bill which reauthorizes the Safe Drinking Water Act and makes many important reforms in the law. The President signed this legislation into law on August 6, 1996.

I am convinced that we would not have achieved these important reforms without the support and assistance of the Safe Drinking Water Act Coalition. The coalition is made up of representatives of State and local governments, and organizations representing all types of public water systems, including the National Governors' Association, the National League of Cities, the Association of Metropolitan Water Agencies, the American Water Works Association, the U.S. Conference of Mayors, the National Association of Water Companies, the Association of State Drinking Water Administrators, the National Association of Counties, the National Conference of State Legislatures, the National Water Resources Association, and the National Rural Water Association.

The coalition worked tirelessly for many years to accomplish these important and necessary reforms in the Safe Drinking Water Act. The members of the coalition deserve our thanks for helping to improve the Safe Drinking Water Act to better protect public health and the environment.

A TRIBUTE TO JOSEPHINE PIRACCI

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. SOLOMON. Mr. Speaker, every now and then in my position as a Congressman, I have the privilege of honoring those people out there whose performance day in and day out improves the quality of life for an entire neighborhood or school or community. I call these people our silent heros. That's because they do their job without remiss and all too often without the accolades they deserve.

Mr. Speaker, I'd like to bring your attention to one such hero today, Ms. Josephine Piracci of Clifton Park, NY in my congressional district. Josephine has been a faithful employee of the Shenendehowa Public Library for 20 years now and has done more than her share in making the Clifton Park and Halfmoon area of New York a great place to live and raise a family.

I say that because what could be more critical to any community and especially its young people, than a library. And there's something even more special about a public library that just seems so American. I think it's that it embodies the free exchange of ideas and intellectual freedom that has allowed this country to thrive and has been the beacon drawing millions from distant lands throughout our history.

Now, how does Ms. Piracci fit into all this? Easy. For 20 years now, she has played an active role in helping others to expand their minds, be it a child forming their first sentences, or a businessowner researching the latest trends and technologies that might allow their business to expand and put someone else to work.

Josephine made this type of impact right from the beginning starting part-time as a children's librarian. And she didn't stop there, Mr. Speaker. Jo, as her friends and colleagues know her, went on to become director of the library by 1985 and has remained so ever since. During her tenure, she presided over the largest expansion in the history of the Shenendehowa Library. In fact, the library grew four times its size, from 4,500 square feet to 18,000 square feet.

As you know, Mr. Speaker, organizing and directing such a rapid and enormous change can be both exhilarating and frustrating. But Jo had a vision of a facility that would better serve all aspects of her community and the persistence to carry it through. Now that's what it takes to get the job done.

Mr. Speaker, I have always been one to judge people based on what they return to their community. By that measure, Josephine Piracci is a truly great American. I ask you, Mr. Speaker, and all Members of the House to rise with me now in tribute to her and her outstanding record of public service. She has certainly earned it.

AVIATION CADET ANNIVERSARY

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. DORNAN. Mr. Speaker, October 11, 1996 will mark the 35th anniversary of the last person to graduate from the U.S. Air Force's Aviation Cadet Program. I graduated as an aviation cadet myself at the start of my military service in the Air Force. The Aviation Cadet Program actually started in 1917 and almost all rated officers in the Signal Corps, Army Air Corps, Army Air Forces, and U.S. Air Force were trained under this program.

The pilots were called flying cadets for the first 24 years of the program and the name was changed to aviation cadets on June 24, 1991. Cadet alumni are honorably advancing the cause of having the U.S. Postal Service issue a postage stamp commemorating the achievements of aviation cadets. I am proud of my experience as a cadet and of my service to our great Nation. I believe it would be a fitting tribute for aviation cadets to be recognized and honored for their service by the Postal Service.

IN HONOR OF THE CHAIRS OF THE WOMEN'S CAMPAIGN OF THE UJA-FEDERATION OF NEW YORK

HON. NITA M. LOWEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mrs. LOWEY. Mr. Speaker, tonight, the UJA-Federation of New York will honor the 56 women who have chaired the Women's Campaign since 1934. These women of vision dedicated themselves to the UJA-Federation's mission of safeguarding and caring for the Jewish community throughout the world. They understood the importance of the United States-Israel relationship, and worked tirelessly to bring together Jews in Israel and the diaspora. We can all take pride in the contributions these women made to the well-being of the Jewish people.

What is striking about these women is both the depth and breadth of their commitment to the Jewish community. Through their outstanding efforts with the UJA-Federation, they left their mark on New York, on the Nation, on Israel and on the world. These women were truly leaders.

Many of these women fought for education and for the arts, for human rights and for religious freedom, raising funds for a local and overseas network of health and human service organizations. In the 1930's and 1940's, these women led the fight to bring European Jews to safety in America. They were at the forefront of efforts to establish and then secure the independent Jewish homeland of Israel. And, more recently, they led Operation Exodus, which transported Jews in peril to Israel and the United States.

Each of these women devoted her time, her heart, and her life to Jewish communal service. And each is proof that just one woman can make a real difference.

The chairs of the Women's Campaign, past and present, are:

Barbara Ochs Adler (1934–35), Adele Lehman (1936), Edith Limburg (1937–38), Adele Levy (1939), Hortense Hirsch (1939–41), Cecile Mayer (1939–40), Rose Goldenstein (1941–43), Leonie Guinzberg (1942–43), Elinor Bernheim (1943–44), and Jane Heimerdinger (1943–44).

Bess Lazrus (1944–45), Dorothy Geller (1945–46), Sophie Udell (1945–49), Rose Carlebach (1947–48), Evelyn Asinof (1949–50), Lea Horne (1950–51), Louise Schwarz (1951–52), Gertrude Oresman (1952–54), Elinor Guggenheimer (1953–54), Berenice Rogers (1955–56), Doris Rosenberg (1955–56), and Margaret Kempner (1957–58).

Erna Michael (1957–58), Syd Goldstein (1957–58), Phyllis Siegel (1958–60), Elaine S. Winik (1958–60), Phyllis Tishman (1959–60), Jean P. Bloustein (1961–63), Rena A. Cohen (1961–64), Jennie Whitehill (1961–62), Elinor Gimbel (1963–65), Fan Harris (1964–66), Pat Gantz (1964–66, 1976–77), Jane Marx (1966–67), Bobbie Abrams (1967–69), and Blanche Ross (1967–69).

Elaine Guld (1968–71), Eleanor Sack (1970), Blanche G. Etra (1970–71), Adele Block (1971–73, 1975), Betty Dreifuss (1972–73), Lilian Marcus (1972–73), Myrtle Hirsch (1974–75), Bernice L. Rudnick (1974–75), Peggy Tishman (1975), Mary Froelich (1976–78), Mildred Geiger (1978–79), and Elaine P. Moore (1980–81).

Esther Treitel (1982–83), Phyllis Carash (1984–85), Naomi Kronish (1986–87), Klara Silverstein (1988–89), Frances Brandt (1990–91), Bryn Cohen (1992–93), Arlene Wittels (1994–95), and Mady Harman (1996–97).

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, September 12, 1996, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

SEPTEMBER 16

3:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings to review benefits to the United States of U.S. foreign assistance.
SD–138

SEPTEMBER 17

9:00 a.m.
Small Business
To hold hearings to examine the impact of Union Salting Campaigns on small businesses.
SR–428A

9:30 a.m.
Commerce, Science, and Transportation
To hold closed hearings to examine aviation security challenges.
S–407, Capitol

Energy and Natural Resources
To hold hearings to examine issues with regard to United States climate change policy.
SD–366

Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the American Legion.
334 Cannon Building

Indian Affairs
To hold hearings to examine economic development on Indian reservations.
SR–485

10:00 a.m.
Labor and Human Resources
To hold oversight hearings on activities of the National Labor Relations Board.
SD–430

2:30 p.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on issues relating to computational biology.
SR–253

SEPTEMBER 18

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings to examine how fatigue affects the various transportation systems.
SR–253

Energy and Natural Resources
To hold hearings on S. 1920, to amend the Alaska National Interest Lands Conservation Act, and S. 1998, to provide for expedited negotiations between the Secretary of the Interior and the villages of Chickaloon-Moose Creek Native Association, Inc., Ninilichik Native Association, Inc., Seldovia Native Association, Inc., Tyonek Native Corporation and Knikatnu, Inc. regarding the conveyances of certain lands in Alaska Under the Alaska Native Claims Settlement Act.
SD–366

10:00 a.m.
Judiciary
To hold hearings on S. 1961, to establish the United States Intellectual Property Organization, and to amend the provisions of title 35, United States Code, relating to procedures for patent applications, commercial use of patents, reexamination reform.
SD–226

2:00 p.m.
Judiciary
To hold hearings to examine the Bailey decision's effect on certain prosecutions with regard to violent and drug trafficking crimes.
SD–226

SEPTEMBER 19

9:30 a.m.
Energy and Natural Resources
Parks, Historic Preservation and Recreation Subcommittee
To hold hearings on S. 1539, to establish the Los Caminos del Rio National Heritage Area along the Lower Rio Grande Texas-Mexico border, S. 1583, to establish the Lower Eastern Shore American Heritage Area, S. 1785, to establish in the Department of the Interior the Essex National Heritage Area Commission, and S. 1808, to establish a program for the preservation of additional historic property throughout the Nation.
SD–366

10:00 a.m.
Veterans' Affairs
To hold hearings on the implementation of Public Law 102-4, the medical and scientific bases for associations between herbicide exposure and disease.
SR–418

2:00 p.m.
Judiciary
Administrative Oversight and the Courts Subcommittee
To hold hearings to examine the power of the Federal courts to impose taxes.
SD–226

SEPTEMBER 24

9:30 a.m.
Indian Affairs
To hold hearings to examine civil jurisdiction in Indian country.
SR–485

SEPTEMBER 25

9:30 a.m.
Indian Affairs
To hold hearings to examine the phase out of the Navajo/Hopi relocation program.
SR–485

OCTOBER 2

9:30 a.m.
Indian Affairs
To hold oversight hearings on the regulatory activities of the National Indian Gaming Commission.
Room to be announced

CANCELLATIONS

SEPTEMBER 12

9:30 a.m.
Labor and Human Resources
To hold hearings on S. 2031, to provide health plan protections for individuals with a mental illness.
SD–430

10:00 a.m.
Judiciary
Business meeting, to consider pending calendar business.
SD–226