

(a customized direct-mail service for businesses). More new-product offerings are on the way, many of which are an effort by the Postal Service to counter its electronic competition by offering innovations of its own in the area of electronic commerce. Among them:

CIPS (Customer Initiated Payment System)—a service that will enable consumers to drop a prepaid card into the mail to trigger electronic payment of bills. It will save them from having to write a check.

Hybrid Mail—a potential market of \$200 million a year in which consumers—especially advertisers—can transmit mail electronically and have it delivered in hard copy.

Electronic Postmark capitalizes on the Postal Service's unique capability of being a "trusted third party" by certifying electronic messages.

Kiosks will offer consumers one-stop shopping for federal services. By inserting a "smart card" in a slot, for example, they can get their Social Security checks.

Still another innovation—installation of vending machines in post offices—is in the works (and has subjected Runyon to a Justice Dept. investigation because he was involved in negotiations despite formerly owning Coca-Cola stock).

At the same time it introduces these and other new services, the Postal Service is installing sophisticated new automation equipment—part of a record five-year, \$14 billion capital-investment program that is one reason for the dramatic improvement in on-time delivery.

Despite this automation and other efficiency gains, 80 percent of USPS's revenues still goes to labor, Runyon pointed out in a recent speech. He indicated the agency is "taking a good, long look" at using private-sector labor—an action that invites a battle with postal unions (see Page 47).

As if Runyon won't be busy enough this year shepherding the Postal Service's new products and other innovations, he also will devote much of his attention to Capitol Hill. Already, he says, "I spend 20 percent of my time dealing with Congressional matters." That percentage may increase as he works for enactment of legislation, expected to be reintroduced by Rep. John M. McHugh (R, N.Y.), that would give the Postal Service greater flexibility to set prices and to expand and create products more rapidly.

Beyond that, Runyon says his goal is "to just keep on improving." He'd like to extend USPS's string of profitable years—"a historic three-peat," he calls it—and boost its service performance even higher.

"That is what makes the rumors so hard to understand," he declared in a December speech to the National Postal Policy Council, an organization representing large mailers. "I am talking about the rumors that I am ready to hang up my bag and leave the Postal Service. I am looking forward to 1997 and beyond."

That doesn't sound like a man who wants to chuck it all for golf, grandchildren, and gardening.

[From Barrons, Monday, Jan. 27, 1997]

THE APPEARANCE OF CONFLICT
(By Thomas G. Donlan)

STOCK OWNERSHIP IS NOT NECESSARILY A
COLLISION OF INTEREST

Marvin Runyon, chief executive officer of the Postal Service (in pretense a private company) has done what he must to hold on to his real job, which is Postmaster General of the United States. He has apologized for "an appearance of conflict of interest" involving his ownership of stock in a company doing business with the Postal Service. The apology may have been politically necessary

but it will do nothing to improve government or the Postal Service.

At issue is Runyon's ownership of somewhere between \$50,000 and \$100,000 worth of Coca-Cola stock while he was also involved last year in discussions about a franchise for Coke machines in the nation's 40,000 post offices.

According to Runyon's report, he has owned the stock since 1977. We did not ask him, but let's assume he has about 1,700 shares worth about \$100,000. Undo the effects of 20 years' worth of stocks splits and appreciation: By our calculation, that means he paid \$35 a share for 70 shares—much less if he reinvested dividends. It was a trivial investment for a man who was then one of Ford Motor Co.'s top executives. Only 20 years' worth of appreciation makes the investment a sum worth noting.

Anyone with a sense of proportion should also wonder how much profit Coca-Cola might gain from even 40,000 new Coke machines. After all, the company makes syrup, which passes through the hands of distributors and bottling companies and vending-machine companies before it ever reaches the lips of thirsty postal patrons, parched by waiting for the so-called service of the Postal Service.

If Coca-Cola makes a penny a drink and each machine rings up 500 sales a day (both estimates are absurdly high), that's 20 million pennies or \$200,000 a day profit. Six days a week minus national holidays is roughly 300 days and \$60 million. Divide that among 2.4 billion shares and multiply by no more than 1,700 shares that Runyon owns if his holdings are worth less than \$100,000, and we're looking at an appearance of less than \$45 a year worth of conflict of interest.

When Runyon was reproached for this conflict, he should have replied with defiance, not with meek acceptance. Instead, he recused himself from the negotiations with Coca-Cola and sold his Coke stock.

Obviously, he paid more in capital gains tax on the sale than he could have earned from 500 years of his stockholder's share of the profits from a Coke franchise in post offices. But this is the U.S. Postal Service, which swallows camels and strains at gnats with the best bureaucratic skill.

A few months ago, the Postal Service system forced the resignation of one of Runyon's key aides, marketing director Loren E. Smith. The unfortunate fellow violated a rule against unauthorized budget transfers. He had overspent his advertising budget by \$90 million on aggressive ads for express mail that targeted the competition, Federal Express and United Parcel Service.

Called "\$12, \$6, \$3: What's Your Priority?" the ads boosted the Postal Service's Priority Mail service, which offers two-day service for \$3, compared with the competitors' two-day services at \$12 and \$6. The ads glossed over the other guys' service guarantees and computer package-tracking, but the emphasis on low price worked.

The ads were the most effective in Postal Service history, pushing express-mail revenues up by \$500 million or more during the campaign. "Quite frankly, you ought to be throwing a parade for everybody in the marketing department," Smith said, just before he was sacked.

The Smith affair underscored the real character of the Postal Service as a government bureaucracy rather than a real corporation. The rules Smith broke were legislated into his way by political appointees on the Postal Service Board of Governors, for whom line items were more important than success. Smith had never overspent the marketing budget, just the part for advertising, which was covered by spending restraint in other areas.

For an explanation of Smith's fate, recall that FedEx was the largest corporate contributor to congressional campaigns between 1993 and 1995, while UPS was third. When such contributors complain about their governmental competition, things happen. All Runyon could do was send Smith on his way with a \$94,000 severance arrangement, something that brought the postmaster general under more fire.

Still, the biggest stick with which Runyon's enemies are beating him is this convenient thing, the appearance of conflict of interest.

Similar sticks are raised throughout the country, where federal, state and local rules restrain officials from owning insignificant quantities of stock because their holdings might pose an appearance of conflict.

At the moment, two Clinton Administration nominees, Anthony Lake and Samuel Berger, are struggling with such an appearance. While Lake was serving as National Security adviser and Berger was his deputy, the two were advised by some overzealous White House lawyer to sell their energy stocks, as if they could pervert the nation's foreign policy to make a few pennies per share in Lake's Duke Power and Exxon stock, his wife's stock in Mobil and TECO Energy, and Berger's stock in Amoco. The two men ignored the admonition, accidentally they say, and the Justice Department has been investigating them for more than a year.

Now Lake has been nominated to be director of the CIA, a particular irony since the most successful recent director, the late William Casey, was an ardent Wall Street plunger. Casey's purchase of stocks at the beginning of the bull market in 1982 was fully disclosed and drew sarcastic remarks in *Barron's*, among other places, but never seemed to affect his performance as the nation's spymaster.

Appearances aside, either there's a conflict or there isn't, and reasonable people can tell the difference. It's not a conflict for an official such as Runyon who owns one-millionth of a company while negotiating with that company for a contract that might enhance its profits by 3%. It's a conflict when the investment is so large that the potential swing in earnings also represents a substantial percentage of the official's annual income.

The real appearance in the Postal Service is of a conflict between tough-minded people trying to run a business and muddle-headed political appointees trying to maintain a traditional preserve of civil-service unions and political patronage.

CHILD ACCESS PREVENTION

HON. EARL BLUMENAUER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1997

Mr. BLUMENAUER. Mr. Speaker, the statistics regarding kids and guns today are truly alarming. Every 90 minutes a child is killed with a loaded gun. Shootings are the fourth leading cause of accidental death for children. For every child killed by gunfire, four more are wounded. This is a tragedy we can and should do something about.

The right to own a gun must be balanced with the responsibility of keeping guns out of children's hands. When people buy a gun, they should also be encouraged to purchase either a lock box, trigger safety, or similar device to make sure the gun cannot be accidentally handled or fired.

Today I am introducing a bill that models itself after laws already on the books in 15 States and a number of localities. These laws, known as child access prevention [CAP] laws, make it the legal responsibility of gun dealers to provide—and of gun owners to use—gun safety devices. Best of all, we know from experience that this is an approach that works. Florida, the first State to pass such a law, showed a 50-percent drop in unintentional shooting deaths among kids the first year after passage. California has shown similar results after passing a CAP law.

My bill would: require gun dealers to offer to sell a locking device or lock box for safe gun storage and post a sign stating that this law is in effect; making gun owners legally responsible for leaving a loaded firearm, or a firearm near ammunition, in a place where kids could gain access.

People regularly child proof their home to protect children from harming themselves. By making potential gun buyers aware of these problems and by offering a solution at the point of sale, we can child proof guns in the home, leading to fewer gun-related accidents and a greater sense of awareness about gun safety.

HONORING RAY MEDLIN

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1997

Ms. KAPTUR. Mr. Speaker, I would like to take this opportunity to recognize G. Ray Medlin of my district, on his receipt of the Northwest Ohio Chapter of the Arthritis Foundation's Humanitarian Award. Ray will be honored in Toledo, OH on February 25, 1997.

Ray has served our community, our State, and our Nation in many capacities. He is a dedicated and diligent trade union leader, having served as the executive secretary-treasurer of the Northwest Ohio District Council of Carpenters and president of the Northwest Ohio Building and Construction Trades Council. He currently is the executive director of the Carpenters Health and Safety Fund of North America.

Extending his commitment outside his profession, Ray serves as a key member on several northwest Ohio boards including the Bowling Green State University Board of Trustees which he currently chairs, the Toledo-Lucas County Port Authority Board, the Toledo Regional Growth Committee, the Riverside Hospital Board, and the Rossford, OH Economic Growth Committee.

Ray Medlin directs his energies to those ventures which will reap economic rewards for our region, thereby assisting our entire community in achieving economic security. In that sense, he is a classic humanitarian: Focusing his volunteer efforts on bettering the lives of his fellow citizens. He is a worthy recipient of the Northwest Ohio Chapter of the Arthritis Foundation's 1997 Humanitarian Award. I am pleased to join the organization in congratulating him and acknowledging his service and commitment to us all.

MENOPAUSE OUTREACH, RESEARCH, AND EDUCATION ACT

HON. CLIFF STEARNS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1997

Mr. STEARNS. Mr. Speaker, women hold a unique and very special place in today's society. Women must be multifaceted—they have many roles which they must fulfill. In addition to the role of wife and mother, many women must also work outside the home and have many demands made upon their time.

While women experience the same stresses and strains that all Americans must contend with, women have special health concerns that affect them directly as a group.

Health care has been the focal point of discussion in and outside of Congress over the past few years. Why should women's health care needs be treated any differently from other health care problems? Simply because women experience all the normal aches and pains, but they are also struck with diseases which are predominant among women.

Since women live approximately a third of their lives—about 30 years—after menopause, it is crucial that we learn more about this passage in a woman's life. That is why I am reintroducing the Menopause, Outreach, Research and Education Act [MORE] to provide a program for research and education regarding menopause and related conditions.

APPROVING THE PRESIDENTIAL FINDING REGARDING THE POPULATION PLANNING PROGRAM

SPEECH OF

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 13, 1997

The House in Committee of the Whole House on the State of the Union had under consideration (H.J. Res. 36) approving the Presidential finding that the limitation on obligations imposed by section 518A(a) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997:

Mr. STOKES. Mr. Chairman, I rise today in support of House Joint Resolution 36 to release funding for international family planning programs.

Through family planning services, women and their families are given essential prenatal care and health services. Recognizing the importance of this effort, the United States has been the leader in providing family planning services throughout the world.

In fact, since 1965, the United States has supported population planning assistance in developing nations. These programs provide the means for avoiding unintended pregnancies, and therefore, play an essential role in reducing abortions.

Each year, over 580,000 women die from complications of pregnancy and childbirth. Ninety-nine percent of these women live in developing countries. Furthermore, in developing countries, more than 31,000 children under the age of 5 die each day.

Mr. Chairman, family planning reduces maternal and child mortality by educating women

and their families about their reproductive choices. Furthermore, these programs provide essential medical resources to help infants with immunizations, nutrition, and disease control.

If the funding for these important services is continued to be delayed, we will deny informed and effective use of reproductive and contraceptive services to couples who depend upon these programs. In fact, when contraceptive services are not available to women, abortion rates increase.

Unfortunately, during last year's budget debate, abortion opponents cut international family planning funds by 35 percent, and mandated that fiscal year 1997 funds could not be spent until July 1997 unless President Clinton submitted a finding to Congress which demonstrated that the holding of these funds is having a negative impact on developing countries.

As President Clinton has reported to Congress, any further delay in the access of family planning services will have a negative impact on population programs and will result in "increased unintended pregnancies, more abortions, and higher numbers of maternal and infant deaths."

Mr. Chairman, this is not a vote on abortion. By law, these funds cannot be used to provide or promote abortions. Funding for these programs should be released immediately. The only way to reduce the number of abortions worldwide is to reduce the number of unwanted pregnancies. The most effective way to accomplish this is through family planning services.

Mr. Chairman, the benefits of family planning are undeniable. I urge my colleagues to join me in supporting House Joint Resolution 36.

TRIBUTE TO YAKOV AND SYLVIA YELLIN

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1997

Mr. BERMAN. Mr. Speaker, I am honored to pay tribute to Yakov and Sylvia Yellin, who this year are recipients of a special award from Shaarey Zedek congregation in north Hollywood. As members of the congregation, the Yellins have taken the lead in the construction of a new building at Shaarey Zedek, which is the largest Orthodox shul in the San Fernando Valley. Indeed, Yakov Yellin recently completed a highly successful 2-year term as synagogue president.

Yakov's dedication to Shaarey Zedek is no surprise; he is a rabbi who spent 5 years as head of a congregation in San Jose, CA. He also spent nearly 2 years as Post Jewish Chaplain at the U.S. Army Base at Fort Sill, OK. Shaarey Zedek is fortunate to have someone of such stature in its congregation.

Sylvia Yellin, the child of Holocaust survivors, has a similar commitment to Orthodox Judaism. She attended Hillel Academy elementary school in Denver and graduated from Esther Schoenfeld High School in Brooklyn. She has served on several synagogue boards, and headed the chaplain's wives' club at Fort Sill.