

students in the basics and then lets them apply what they've learned. His students took that to heart, and in the last year, through their efforts, the town of Gideon helped renovate the community from the inside out by cleaning up public property and tearing down old buildings. To put a new face on this community spirit, Mr. Winchester's students erected a new welcome sign, planted flowers, and even created an Internet Web page showing off the town and school district to new businesses and other visitors.

Mr. Speaker, with teachers like Cindy Thresher and Allen Winchester guiding and teaching our students, our future looks much brighter. I commend them and all of our Nation's educators who prepare our children today to be the leaders of tomorrow.

REMARKS OF LEE TENG-HUI

HON. ALCEE L. HASTINGS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1997

Mr. HASTINGS of Florida. Mr. Speaker, I recently had the privilege of traveling with the Speaker of the House on a congressional delegation trip to Asia. We had the opportunity to meet with some of the most dynamic leaders of the Pacific rim. I wanted to share with the rest of our colleagues the important remarks of Lee Teng-hui, President of the Republic of China on Taiwan.

PRESIDENT LEE TENG-HUI'S ADDRESS TO THE SPEAKER'S DELEGATION TO THE REPUBLIC OF CHINA ON TAIWAN ON APRIL 2, 1997

Honorable Speaker Gingrich, Honorable Representatives, Ladies and Gentlemen: Good morning. This is a very important moment. On behalf of the people and the government of the ROC on Taiwan, I would like to extend my heartiest welcome to all of you. Particularly, I would like to express my sincere appreciation to you for your decision to visit my country out of such a busy schedule on your Asia evaluation tour. The time of your stay is very short, but the most important thing is that you didn't forget this island ROC on Taiwan. It has at least two very significant meanings: First, the ROC on Taiwan is the best friend of the United States in the world and the symbol of American value system and idealism, Freedom and Democracy. Second, the island is geographically important for US military strategy in the West Pacific area, and particularly in North-East Asia.

Domestically, the ROC on Taiwan is now considered a fully free country by the Freedom House based in New York City following our first direct popular presidential election in March 1996. In order to improve our competitiveness, we are now in the process of streamlining the government structure through constitutional reform and establishing an Asian Pacific Regional Operations Center here.

Our mainland China policy remains unchanged. Eventual reunification of China under freedom, democracy, and social justice is still our future goal, but the fact remains: China is divided. We in the ROC in Taiwan would like to use the next thirty years to build an even more free, democratic and prosperous country, so that when the opportune time arises, we can hold talks of reunification with the other side on an equal footing.

In the interest of time, I would like to listen to you; any questions put forward to me

are welcome. As to the purposes of this trip, you already mentioned in the news conference on the 23rd of March. We have already prepared answers to those questions, and will provide the materials to you for your convenience. Thank you very much for your attention. Now, I would like to listen to your comments and advice.

AVOID POLITICAL TINKERING WITH THE CPI

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1997

Mr. KANJORSKI. Mr. Speaker, I rise today out of concern for all senior citizens. As you may know, I represent one of the oldest congressional districts in the country. In fact, well over 20 percent of the people living in my district are aged 65 or older. Many of my constituents consequently depend on Social Security. Because many of those receiving Social Security live near the poverty level and because Social Security often represents their only source of income in retirement, they especially depend on their annual cost-of-living adjustments COLA's to maintain their standards of living.

As my colleagues should be aware, the Federal Government currently calculates the annual COLA for Social Security recipients using the consumer price index for wage earners [CPI-W]. Because the market basket used to determine the [CPI-W] does not precisely reflect those goods and services purchased by senior citizens, some fear that the elderly may actually experience a higher rate of inflation. Therefore, the Bureau of Labor Statistics [BLS] at the request of Congress has for a number of years calculated an experimental price index for the elderly. As a result, the BLS found in 1994 that the CPI-W may actually understate the annual inflation rate for the elderly by four-tenths of a percentage point on average.

This difference comes as a consequence of two well-known factors. First, older Americans spend more of their income on out-of-pocket costs for medical care, despite coverage by Medicare. Second, medical care prices have risen faster than the average of all other prices. If the price of medical care increases faster than average, then, other things being equal, the actual inflation experienced by senior citizens will be more rapid than is described by the CPI-W.

Despite evidence that the CPI-W may understate the rate of inflation for the elderly, many people still have the perception that the measure overstates inflation. In a time of budgetary pressures, many policymakers have consequently come to view adjusting the CPI as the panacea for balancing the budget because curbing COLA's would reduce budget deficits and ease long-term entitlement funding. COLA's are such an important issue because about one-third of Federal budget outlays are automatically adjusted each year given changes in the CPI-W.

I have closely followed all of the debate about whether the BLS overestimates inflation when it calculates the consumer price index. Therefore, when the budget negotiators announced their deal late last week. I was relieved to learn that they did not agree to any

risky political tinkering with the CPI. A political determination in this matter would have compounded the efforts of Government economists to determine the accuracy of the measure. Moreover, it would have led to greater public confusion about the issue and distrust in the accuracy of Government statistics generally. Still further, any political effort to manipulate this statistic downward would have likely had a significant negative impact on those elderly individuals living close to the poverty line.

Instead of a politically motivated vote on the accuracy of the CPI, what is needed is a factual, technical determination based on sound economic analysis. Despite the well-publicized findings of the Boskin Commission, several economists have recently issued reports that the CPI may understate inflation. The BLS has the expertise, tools, resources, and experience to weigh the conflicting evidence and develop an accurate and appropriate inflation measure. Moreover, allowing the BLS to make this determination will help to maintain the integrity, objectivity, and the reliability of the Federal statistical system.

Ultimately, I believed that people should receive an accurate inflation adjustment, not one that gives them an unintended bonus or reduction. I, therefore, encourage the Bureau of Labor Statistics to continue its efforts to identify the most appropriate and accurate criteria for measuring inflation. I would also be interested in learning of the agency's recommendations on whether Congress should use the CPI for the elderly to adjust Social Security benefits and other programs for the elderly. Further, I encourage my colleagues in Congress to continue to protect our senior citizens and others on fixed incomes in any future effort to balance the budget.

My Speaker, thank you for allowing me to raise this important issue. The Bureau of Labor Statistics alone should make adjustments, if any are needed, to the methodology used to determine the Consumer Price Index. In the upcoming weeks and months, I, for one, will continue to vigilantly watch the actions of the Bureau of Labor Statistics on this issue. I am also certain that senior citizens will also continue to closely examine the actions of my colleagues on this matter.

TRIBUTE TO MICHAEL SCHULTE

HON. THOMAS M. BARRETT

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1997

Mr. BARRETT of Wisconsin. Mr. Speaker, It is a great honor for me to pay tribute today to one of Milwaukee County's truly outstanding citizens. As the Men's Club of Shorewood, WI, gathers this week to honor Michael Schulte as its 1997 Man of the Year, I would like to take a moment to reflect on the achievements of this exceptional individual.

From 1985 until last month, Mike Schulte served as a village trustee of Shorewood, serving as village president for more than 6 years. Under Mike's strong leadership, Shorewood grew and thrived as one of Wisconsin's most efficient and productive communities.

During his tenure, enhanced 911 emergency service and the North Shore Public Safety