placing sanctions on 7 Russian entities. We must keep a close watch on this and remain vigilant on the issue of Iran's acquisition of weapons of mass destruction and the weapons to deliver them. President Clinton will be traveling to Russia in September, and if the legislation is still needed, we should bring up IMPSA for veto override.

Another way to counter the Iranian threat is by strengthening our closest ally and outpost in the region. In September, when we return to Washington, we will vote on the Foreign Operations Appropriations bill which contain Israel's annual aid package. I have voted for this bill in the past because I believe that foreign aid, when used wisely, is an important instrument in American foreign policy.

This year, I again intend to vote for aid for Israel, and I want to draw special attention to what makes this bill so special and historic. Based upon Prime Minister Netanyahu's pledge to a joint meeting of Congress two years ago, Israel has started to reduce its request for aid. Imagine an aid-receiving nation saying it does not need as much money—well it's happening this year.

Israel has made dramatic economic strides over the past two decades including the privatization of most of its industries. As a friend and supporter, the United States helped in Israel's economic gains. Now Israel is telling us that they feel confortable phasing out all of their economic aid over a ten year period. However, based upon the continued threats in the region like Iran, Israel does need continuing military assistance which I will continue to support. I am also pleased a note that it looks as though this year's Foreign Operations Appropriations bill will hold spending level to that of Fiscal 1998.

IN TRIBUTE

SPEECH OF

HON. WES WATKINS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 28, 1998

Mr. WATKINS. Mr. Speaker, I would like to have printed in the CONGRESSIONAL RECORD a prayer I received from Chaplain James Paul Maxwell from Shawnee, Oklahoma. When Reverend Maxwell learned of the tragic deaths of Officer Chestnut and Detective Gibson he composed a beautiful prayer and asked that I share it with Congressman DELAY. After reading the prayer myself, I was so moved that I felt it would be a shame not to share this with the entire Congress so I therefore ask that it be made a part of the formal CONGRESSIONAL RECORD.

Dear Heavenly Father, Our Lord

We come to rejoice in Your gracious mercy and forgiveness of sins. Today we praise Your name for taking bad things and working them together for good.

Lord, we are grieved at the unnecessary death of two Washington, D.C. police officers. We come to You, leaning on Your love and Holy Spirit for patience, for strength, and for courage in the midst of great sorrow.

Dear Lord, we pray for the wives and children of Officer Jacob J. Chestnut and Officer John Gibson. And we pray for the family, friends, and colleagues of these men. We know their hurt and sorrow is almost unbearable. Lift these up with Your love and healing and fill their loneliness magnified with grief with the presence of Your Spirit, and the Hope of Your gift of eternal life.

Heavenly Father, we pray for our Nation's congressional leaders and for our President. Give our nation's leaders Your wisdom that they will lean upon You for understanding and direction.

Lord we pray for all law-enforcement officers. Give them Your protective care and wisdom to respond in courage to perform their duties with firmness and with love. We long for the final victory over sin and evil and sorrow in this world and pray that You will give us determination and faith to take our stand for righteousness in our land. Thank You Lord Jesus for laying down Your life for us that we might have life and have it more abundantly. Lift us up through this darkness of evil that we might praise You in Jesus Name. Amen. Chaplain James Paul Maxwell, Shawnee Police Department, Shawnee, Oklahoma.

HONORING FRIENDS OF DIALYSIS DAY

HON. ADAM SMITH

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1998

Mr. ADAM SMITH of Washington. Mr. Speaker, I rise today to declare a day of recognition on August 16, 1998, for the Friends of Dialysis Day. Everyone who participates in this important day is taking an essential step in helping to increase awareness of kidney disease and the need for organ donation. We all know that organ donations save lives, and increasing the number of donors throughout the country could potentially save the life a loved one for many families in our community and throughout the nation. I hope by declaring this Friends of Dialysis Day we can increase the willingness to donate organs by friends and members of our community.

The citizens of my district have participated in the Friends of Dialysis Day through an annual golf tournament. Participants, including patients, transplant recipients, medical staff, and family members, come together to raise money for this important cause. I urge other communities around the country to follow their example and help promote organ donation.

I commend all who have taken up this important fight and I hope we can all work together to continue to increase the awareness of kidney disease and the need for organ donations in our communities.

SOCIAL SECURITY

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1998

Mr. CRANE. Mr. Speaker, as we move into the 21st century, we must address the issue of Social Security. When I support privatizing the system which would allow Americans to more fully control the financial aspects of their retirement years, I realize we must have a national debate on the issue. In an effort to contribute to the discussion, I would recommend that my colleagues read this following column written by Jose Pinera as it appeared in the European edition of the Wall Street Journal on June 25, 1998.

[From the Wall Street Journal Europe, June 25, 1998]

A WAY OUT OF EUROPE'S PENSION CRISIS

(By Jose Pinera)

On the wall of my office in Santiago, Chile, I have a map of the Americas with South America's sharp southern tip pointing toward the top and the United States and Canada at the bottom. Visitors often look puzzled, then exclaim, ''Oh, they've hung your map upside down.''

''No,'' I say, ''It's just a different way of looking at the world.'' I often think of that map when I'm asked how Europe's crisis-riddled pension systems can fixed.

Reform is possible, I reply, if people are willing to look at the world in a different way. Most importantly individuals will need more power to provide for their own retirement—and the government's role must be scaled back. We've accomplished this in Chile, and reform on the Chilean model is being seriously considered in the United States. In the meantime, the system has already spread to several other nations around the globe.

Beneath its veneer of egalitarianism, Europe's present pension systems are hideously unfair to tens of millions. Most young workers can look only to paying more and more to support those on retirement today—and then to receiving less and less when they themselves retire. Many under-40 members of today's working population may end up on income support to make ends meet in the next few decades, even though they pay up to 20% or more of their income in social security taxes.

SIMPLE YET RADICAL

Part of the problem is demographics. Europe's state pension systems are based on the so-called pay-as-you-go (Paygo) principle, meaning that the pension payroll taxes of today's working populations are passed through immediately to today's retirees. This system worked half-a-century ago in a world where there were seven or more workers for each retiree, who typically lived only a few years after he left the work force.

That world is gone. Thanks to a sharply declining birth rate and longer life expectancy, there is now an average of only four people of working age to support each pensioner in the 15 member states of the European Union. By 2040 there will be only two, and in some countries like Germany the ratio of workers to pensioners will be closer to one to one.

As a result, the financial burdens will become enormous. Pension contributions in Germany, for example, are now 20.3% of earnings, and the government has just increased VAT to finance the cost of pensions. And that is just the beginning. In France, pension contributions may have to double to 40% of earnings. But higher payroll taxes lead to even high unemployment and thus fewer contributions to the pension system.

At the same time, the payouts will be rimmed. European governments have already begun doing so, for example, by increasing the retirement age.

Meanwhile, every pressure group grants to cut the best deal for its members. Thus we see that Italian civil servants retire in their early 50s and that French truck drivers can end their working lives at 55. Does anyone seriously believe that such a system can survive in the 21st century?

Twenty years ago my country faced a similar crisis. Chile had created a state pension system in 1925 and by the 1970s it was on the brink of bankruptcy, life with special privileges and burdened by high payroll taxes.

When I was appointed minister of labor and social security, my team and I hit upon a simple, yet radical way to keep the idea of a national retirement system, but change the way it is structured. Every worker's payroll taxes, we proposed, could go into a private, individual pension account that would be his own property. His money would be invested in professionally managed funds of stocks and bonds. If he changed his job, his retirement accounts would move with him. These would fuel—and keep up with—a growing economy, yielding a far better pension income than if the same sums went to the government.

Here's how the Pension Savings Account (PSA) system works. To start with every working man and woman gets a PSA passbook to keep track of how much as accumulated and how well the investment fund has performed.

To manage these growing assets, individuals choose freely among a number of private companies that invest in a diversified, low-risk portfolio of stocks and bonds. Since workers can change freely from one company to another, they compete to provide better customer service and lower commissions. Many have user-friendly computer terminals where individuals can calculate the value of their pensions or find out how much to deposit in order to retire at a given age.

The companies are regulated by the government and there's also a safety net: the state guarantees a minimum pension if the worker's savings fall short.

The PSA system changes the very notion of what a pension is. For example, Chile no longer has a right legal retirement age. People can retire whenever they want, as long as they have sufficient savings in their accounts for a ''reasonable pension'' (50% of average salary of the previous 10 years, as long as it is higher than the minimum pension). If they want to, they can continue working without contributing to the plan after their pension begins. No longer is anyone forced to leave the labor force—or work on the black market—because he draws a pension.

The result? Today Chile's private pension system has accumulated an investment fund of some $30 billion, in a country of only 14 million people and a gross domestic product of only $70 billion. As University of California economist Sebastian Edwards noted, the system ''has contributed to the phenomenal increase in the country's savings rate, from less than 10% in 1986 to almost 29% in 1996.''

Chilean people have reaped a rich harvest. The average worker has earned 12% annually after inflation, and pensions today are much higher than under the old system nearly 80% of annual income over the last 10 years of working life.

Can this system work in Europe? Some economists assert that it can't. Let's examine their objections.

''The transition to an investment-based system is too costly.'' If today's worker's taxes get redirected into individual retirement funds, critics wonder, who will pay the pensions of today's retired workers? In Chile, we covered the guarantees to already retired workers in several ways. The government issued new bonds, which spread some of the cost over the generations. Privatization of state-owned business, and a reduction in government spending elsewhere, were also important. We levied a small temporary transition tax; and the economic growth unleashed by the PSA system brought in greater overall tax revenues.

In the meantime, during the transition, everyone contributing to the old system could remain in it, but those who moved had their rights to partially accrued pension. Income guaranteed by the government. All new entrants by the work force were required to go into the PSA system.

''Operating costs of an investment-based system are higher.'' True, professional pension fund managers do have advertising and investment costs that tax-and-spend government programs run by civil servants do not incur. But the costs are low—and are dwarfed by the higher returns the PSA system generates.

''Private pensions are less reliable and safe.'' In fact, it's hard to consider the present setup reliable, with governments increasing taxes and decreasing payouts. The investment results of private funds cannot be guaranteed. But all studies of past performance show that the long-term gains of a well-chosen portfolio of bonds and equities have been far greater than that of paygo systems. The government supervises the investment companies, and of course the fund manages themselves keep a constant watchful eye on the accounts.

EMPOWERING WORKERS

The PSA system has other benefits. For example, if this system were adopted Europe-wide, workers would not risk losing their pension rights if they left a job in one country for a job in another. Interestingly, the EU Commission is considering a change from Paygo to an investment-based retirement system for its own workers.

Harvard University economist Martin Feldstein has estimated that the value of future benefits to the American economy of privatizing Social Security pensions could reach an astounding $20 trillion. ''It is difficult to think of any other policy,'' he recently wrote, ''that could produce such a substantial permanent rise in the standard of living of the vast majority of the population.'' Europe could also derive a similarly huge benefit.

I cannot emphasize enough that the PSA is not a solution of the political right or left; it empowers all workers. It allows them ownership of financial capital that many have never had, giving them a greater stake in the economy than ever before. It may seem revolutionary to suggest that Europeans give up their dependence on the state for their old-age livelihood in favor of taking their pension provision into their own hands. Nevertheless, millions of people in countries such as Peru, Argentina, Colombia, Bolivia, El Salvador, and Mexico have already done so, with excellent results for themselves, their economies and their societies.

To all who say it cannot be done, my reply is twofold: it has been done, and—considering the ruinous state of Europe's pensions financing—It must be done.

THE FUTURE OF TAIWAN

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1998

Mr. GILMAN. Mr. Speaker, today I received a copy of a speech by the President of the Republic of China, Taiwan, Lee Teng-Hui, which he delivered before the Thirteenth Plenary Session of the National Unification Council on July 22, 1998.

Minister Lee's speech outlines his thoughts and aspirations for the future of Taiwan, especially the question of unification with the People's Republic of China. His remarks are thought-provoking and insightful and considering the interest in the future of Taiwan in this body, I urge my colleagues to read President Lee's speech.

Accordingly, Mr. Speaker, I ask that President Lee's speech be inserted at this point in the CONGRESSIONAL RECORD.

CLOSING REMARKS TO THE THIRTEENTH PLENARY SESSION OF THE NATIONAL UNIFICATION COUNCIL BY LEE TENG-HUI, PRESIDENT, REPUBLIC OF CHINA

Vice Chairman Lein; Vice Chairman Siew; Vice Chairman Hsu; Members of the Council; Members of the Research Council:

I would first like to thank everyone again for attending the conference today. We have just heard reports from Minister Hu, Chairman Chang and Director General Yin. These reports have inspired ample discussion of the foreign relations of the Republic of China, the cross-strait relationship, and communist China's strategic maneuvers toward Taiwan. In total, councilors have expressed their views. I already have made note of these valuable opinions and will request the Executive Yuan to study them further. Thank you for your advice.

Since assuming the office of President, I have on many occasions declared that the future of the nation is an issue of utmost seriousness; not a romantic aspiration. Today, we stand poised to forge ahead into the 21st century, working toward national development on a grander scale. At this pivotal point, we must all give rational and pragmatic thought to this matter of epochal importance.

On the eve of the new century, let us look back on the state of our world. The Cold War has faded into history, and communism is in full retreat. Even though communism and one-party rule remain entrenched on the Chinese mainland, the system is facing strong demands for change both from within and without. Try as they may, the mainland authorities cannot check or deflect these demands. The tide of democracy defies obstruction. Indeed, we believe that Peking has no choice but to squarely face this global trend and adopt thorough reforms.

Therefore, we must take this opportunity to once again state clearly and solemnly: China must be reunified. However, this reunification must be under a system of democracy, freedom and equitable prosperity that will safeguard the rights and interests of all Chinese, and is in keeping with the global trend. The nation should, by no means, be reunified under the proven failure of communism or the so-called ''one country, two systems'' formula.

Our position on this issue is firmly grounded in our belief that:

First, reunification under communism or the ''one country, two systems'' formula will not help bring democracy to the whole of China. Instead, it will send the people of the mainland even further from their aspirations to enjoy a democratic way of life.

Second, only if china is reunified under a democratic system can the strengths of Taiwan, Hong Kong and the Chinese mainland be forged together as a force for regional stability. A reunified China that is closed and autocratic would necessarily provoke anxiety in neighboring countries, upset the power balance in Asia and threaten the peace and stability of the Asia-Pacific region.

Third, only the implementation of a comprehensive democratic system, through the rule of law and transparent political processes, will mutual trust be enhanced between the two sides. And only democracy will ensure that both sides in fact honor their agreements and guarantee a new win-win situation.

Once again, we resolutely reject the so-called ''one country, two systems'' scheme. It has a number of fundamental flaws, the first of which is ambiguity. While the formula seems to offer two equal systems, it in fact makes a very unequal distinction between central and local. The formula is also contradictory, for it seeks to wed communism with capitalism. Finally, the ''one