And during the 1998 General Assembly session, lobbyists from the Maryland Blues tried to attach an amendment to a bill making it harder for nonprofit health care entities to convert to for-profit.

Curran said the amendment would have made it easier for the Blues to convert without a public set-aside.

The rider seemed innocuous enough. It merely stated that the Blues exist to serve policy holders, not the general public.

But when lawmakers sponsoring the bill learned that such arguments have been made in other states to attempt to establish Blues' plans as non-charitable, they were furious.

''It's sad and embarrassing,'' said Del. Dan Morhaim, D-Balto. City, one of the sponsors for the legislation, at the time. ''Its a slap in the face of Maryland taxpayers.''

[From the Washington Post, Aug. 18, 1998]

$2.9 MILLION HELPS TO LEAVE THE BLUES BEHIND

(By David S. Hilzenrath)

For occupants of the executive suite, parting may be sweet sorrow, or it may be just plain sweet.

When Larry C. Glasscock left Blue Cross and Blue Shield of the National Capital Area in April to take a job at another health insurer, the former chief executive took with him severance benefits of $2.9 million.

That was more than six times the salary provided in Glasscock's February 1997 employment contract at the nonprofit company.

A.G. Newmyer III, chairman of Fair Care, a patient advocacy group that has battled Blue Cross, called the package ''a disgraceful diversion of charitable assets. . .to the pockets of one executive.''

Glasscock didn't return telephone calls seeking a comment, but a spokesman for his new employer, Anthem Inc., quoted him as saying: ''I don't want to talk about that—that's ancient history, it's in the past.''

Maryland Insurance Commissioner Steven B. Larsen said the package is consistent with industry norms. ''There's no question that $3 million is a significant amount of money, but. . .that must be understood in the context of a situation where you have a CEO who is running a billion-dollar operation, and. . .this is the type of benefit package that people of that caliber receive.''

Glasscock's deal reflects the perquisites of executive power, even in the nonprofit sector. His employment contract at the D.C. company permitted him to collect his severance benefits if he left voluntarily after a ''change in control,'' such as the merger he negotiated with Blue Cross and Blue Shield of Maryland.

When the two Blues combined in January to form CareFirst Inc., the top job went to William L. Jews, who had run the Maryland company, and Glasscock became chief operating officer. A few months later Glasscock moved to a comparable job at Anthem Inc., a Blue Cross insurer in Indiana.

Early last year, even as the two companies were preparing to merge their operations, Glasscock signed a new contract that improved his severance benefits, at least modestly. For example, it provided coverage for travel expenses that Glasscock might incur while looking for a new job, according to a description filed with the Maryland Insurance Administration.

The 1995 version of the contract restricted Glasscock's ability to join a competing company. The Febraury 1997 version of the contract, signed several weeks after the companies announced their intent to combine, relaxed that restriction somewhat, according to an analysis filed with Maryland regulators.

The 1997 version also provided coverage for travel expenses that Glasscock might incur while looking for a new job.

In addition, the updated contract restructured Glasscock's severance package in a way that could have helped him avoid a deep excise tax on golden parachutes. The tax would have applied only if the the company issued stock to the public before Glasscock left.

According to an analysis prepared in January by consultants to the D.C. company, Glasscock's 1997 contract entitled him to severance benefits of $2,874,357 plus any bonuses coming to him under an incentive plan. The total included $125,000 for serving as a consultant to the company for a year after leaving and $1,677, 638 for promising not to compete with it directly.

That set off alarm bells last year in the D.C. Corporation Counsel's Office, which recommended that the ''change of control'' benefits be eliminated before the merger received approval. Glasscock ''has positioned himself, intentionally or unintentionally, to leave . . . with substantial charitable assets,'' possibly in violation of law, Corporation Counsel John M. Ferren wrote.

But insurance regulators in the District and Maryland decided that the benefits should not stop the deal because they were part of Glasscock's employment contract before the merger was negotiated. The overall cost of the package to Blue Cross remained unchanged from 1995, according to Sibson & Co., a consultant to Blue Cross that prepared a report for D.C. and Maryland regulators.

The actual payment totaled $2,890,561, Blue cross informed Larsen.

A CLOSER LOOK AT GLOBALIZATION

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1998

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, September 2, 1998, into the CONGRESSIONAL RECORD.

A CLOSER LOOK AT GLOBALIZATION

Hoosiers are becoming more aware of the globalization of the economy—the way that the U.S. economy is increasingly linked to those of other countries through trade and technology. They recognize some of the benefits of this globalization—lower prices for consumer goods and expanded markets for Indiana exports—but they are also concerned when they see jobs eliminated in Indiana and created in Mexico and see the Asian and Russian economic crises hurt our stock market. All of us must more fully understand what effects in our economy can and cannot be attributed to globalization, so we can properly respond to these changes.

MAIN FACTORS

The principal factors involved in globalization are:

Increased telecommunications and transportation networks. Technological changes are the driving force of globalization. These can be seen through telecommunications satellites, fax machines, the internet and other electronic linkages, as well as through expanded and improved land, sea, and air transportation among countries. To take one example, in 1968 only 80 simultaneous phone calls could be made between the U.S. and Europe. Today, satellites and undersea cables can accommodate one million calls at a time.

Increased trade. The volume of world merchandise trade today is 16 times what it was in 1950. Increased trade allows countries to specialize in what they make best, increasing global economic efficiency. The World Bank expects consumers to gain between $100 billion and $200 billion every year in additional purchasing power as a result of reduced tariffs and increased trade.

Increased investment. International investment is perhaps the most significant, but least understood, effect of globalization. Since the 1980s, investment across national borders has increased four times faster than international trade. International investment helps a country use its advantages and makes it more competitive.

BENEFITS AND COSTS

While globalization can have major benefits, it can also be disruptive.

Greater efficiency and falling prices. The development of world markets means that the goods Americans produce the most efficiently will become more profitable, as we are able to sell them to wider markets. And that creates more jobs in America. Consumer prices will also fall on items that we can buy from cheaper producers overseas.

Increased competition. At the same time, globalization means that our less efficient industries will face increasingly tough competition and some jobs could be lost. Increased competition is a two-sided coin, with both winners and losers. But most American firms are able to move into and compete in foreign markets. Because the U.S. economy is already so competitive, many do this exceptionally well.

International investment. Americans can benefit from investments made abroad. Many workers' pension plans are enriched by overseas investments. In addition, America attracts more foreign investment than any other country. When foreign firms build plants in the U.S., jobs are created. Americans also benefit from the innovations that foreign firms bring to the U.S., which have included new technologies and leaner production techniques, such as the ''just in time'' delivery systems.

The big risk of increased international investment is that it can lead to instability in financial markets. As we have seen in the Asian financial crisis, money that can move into a country very quickly can move out just as fast.

CRITICISMS

Many people have fears about globalization. The most common concerns are three:

First, globalization produces a ''race to the bottom'' on labor standards. As the news stories on working conditions abroad indicate, there can certainly be problems as good jobs in this country are replaced by jobs in developing countries in which workers have few labor protections. Yet a global economy strengthens jobs in the most dynamic, highest paying sectors of our economy, like exports. Within the U.S., jobs in export-related industries pay, on average, 15% more than other jobs.

The experience of Latin America over the last forty years is instructive: those countries that built tariff barriers to protect local industries and workers began to suffer low growth and falling wages. By contrast, countries elsewhere that opened themselves up more are considered success stories today in terms of labor standards.

Second, globalization weakens environmental standards When nations become wealthier, they begin to pay more attention to environmental issues. As with labor standards, several decades of experience demonstrate that those countries which have been most open to the world economy have grown the most and have improved their environments the most.

In the short-term, however, there may be some truth to this criticism. Globalization often shifts dirty industries from wealthy nations to poorer ones. The maquiladora industries on the U.S.-Mexican border are an example of this, having attracted U.S. firms seeking weaker environmental standards.

Third, globalization exposes American workers to unfair competition from cheap wages overseas. Many people complain about competition from countries which have poor labor protections and low wages. However, most of the experts agree that roughly 80% of the difference in wages between U.S. and developing country workers can be attributed to differences in productivity. Thus, while Guatemalan workers may have wages that are one fifth what American workers earn, our well-trained workers are typically more than five times as productive, so there is less incentive to move production to Guatemala than initially appears.

CONCLUSION

The evidence on globalization is mixed, and it is difficult to sort it all out. Yet one thing is clear—there is no turning back on globalization. As President Clinton has said, ''The technology revolution and globalization are not policy choices, they are facts.'' Communications satellites, cell phones, the internet, and global financial transactions are here to stay. Succeeding in the 21st Century will mean that Americans must learn to master the global economy. But we will need to make policy changes to cushion the disruptions of these new economic forces and find new ways to manage them.

Next week: Responding to Globalization.

TRIBUTE TO JOHN F. SEIBERLING

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1998

Mr. MILLER of California. Mr. Speaker, I would like to advise my colleagues that yesterday marked the eightieth birthday of our former colleague, John F. Seiberling of Ohio, and to take note of his many accomplishments during his tenure in this body.

A native of Akron and grandson of the founder of the Goodyear Tire and Seiberling Rubber companies, John Seiberling decided in 1970, at age 52, after 3 years of distinguished World War II military service, 5 years of private law practice and 17 years at Goodyear, to run for the U.S. House of Representatives, primarily because of his deep concern over continuation of the U.S. involvement in the Viet Nam War. He quickly established himself as a leader in the ultimately successful effort to end the U.S. involvement, and was elected Chairman of Members of Congress for Peace Through Law, later known as the Arms Control and Foreign Policy Caucus.

In 1973 he joined the Committee on Interior and Insular Affairs, where I had the pleasure of serving with him for a number of years. As a member of that committee he played a leading role in the 6-year battle to enact federal legislation to restore damage caused by surface coal mining and prevent further environmental degradation, which culminated with enactment of the Surface Mining Control and Reclamation Act of 1977. As Chairman of the committee's Public Lands Subcommittee, he also became a leader on land conservation and historic preservation and managed legislation that doubled the size of the national park system and quadrupled the size of the wilderness system, including the addition of more than 100 million acres of Alaska's most spectacular land. He also spearheaded the enactment of the Cuyahoga Valley National Recreation Area Act, creating Ohio's first and only national park.

In 1986, he decided not to seek re-election, but he had crowded a lifetime of accomplishments into his 16 years of service to this House, to his constituents and to the American Public.

After his retirement, he resumed the practice of law in Akron and also assumed an endowed chair at The University of Akron School of Law. But he has also found time to continue working on the causes he held dear as a member of this body through his service on the Board of Directors of the Environmental and Energy Study Institute, a non-profit organization he and other Members founded to provide timely and credible information to Congress on environmental, energy and natural resource issued.

Mr. Speaker, I invite my colleagues to join me in saluting John F. Seiberling, a Congressional giant, and wishing him many happy returns of the day.

''BILL OF NO RIGHTS''

HON. JOHN J. DUNCAN, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1998

Mr. DUNCAN. Mr. Speaker, one of my constituents, Mr. Robert Koehl, brought to my attention the following article, ''Bill of No Rights,'' by Jon Jenson.

This column expresses in a very plain, down-to-earth, articulate way the feelings of millions of American citizens.

I would like to call it to the attention of my colleagues and other readers of the RECORD.

BILL OF NO RIGHTS

Note: Submitted by a reader, the following document deserves consideration in these victim-oriented times.

We the people of the United States, in an attempt to help everyone get along, restore justice, preserve domestic tranquility, promote positive behavior and secure the blessings of debt-free liberty to ourselves and our grandchildren, hereby try one more time to ordain and establish some common-sense guidelines for the terminally whiny, guilt-ridden, delusional, victim-wanna-bes and grievance gurus.

We hold these truths to be self-evident: That a whole lot of people are dreadfully confused by the Bill of Rights, and could benefit from a ''Bill of No Rights.''

ARTICLE I: You do not have the right to a new car, big screen TV or any other form of wealth. More power to you if you can legally acquire them, but no one is guaranteeing anything.

ARTICLE II: You do not have the right to never be offended. This country is based on freedom for everyone—not just you! You may leave the room, turn the channel, express a different opinion, etc., but always remember the world is full of offensive idiots.

ARTICLE III: You do not have the right to be free from harm. If you stick a screwdriver in your eye, learn to be more careful. Do not expect the tool manufacturer to make you and all your relatives independently wealthy.

ARTICLE IV: You do not have the right to free food and housing. Americans are the most charitable people to be found, and will gladly help those in need, but many are growing weary of subsidizing generation after generation of professional couch potatoes who achieve nothing more than the creation of another generation of professional couch potatoes.

ARTICLE V: You do not have the right to free health care. That would be nice, but from the looks of public housing, health care is not a high priority.

ARTICLE VI: You do not have the right to physically harm other people. If you kidnap, rape, intentionally maim or kill someone, don't be surprised if others want to see you fry in the electric chair.

ARTICLE VII: You do not have the right to the possessions of others. If you rob, cheat or coerce away the goods or services of your neighbors, don't be surprised if others get together and lock you away.

ARTICLE VIII: You don't have the right to demand that our children risk their lives in foreign wars to soothe your aching conscience. We hate oppressive governments. However, Americans do not enjoy parenting the entire world and do not want to spend so much of their time and resources squabbling with each and every little tyrant with a military uniform and a funny hat.

ARTICLE IX: You don't have the right to a job. Everyone wants you to have one, and will gladly help you along in hard times, but we expect you to take advantage of the opportunities of education and vocational training available to you, and to make yourself useful and productive.

ARTICLE X: You do not have the right to happiness. Being an American means that you have the right to pursue happiness, which—by the way—is a lot easier if you are not encumbered by an overabundance of idiotic laws created by those who are confused by the original Bill of Rights.

TRIBUTE TO MR. LEE LOCHMANN

HON. ROBERT SMITH

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1998

Mr. SMITH of Oregon. Mr. Speaker, I rise today to pay tribute to Leroy Lochmann, President and CEO of ConAgra's Refrigerated Foods Companies, on the occasion of his retirement. Lee's life story is a Horatio Alger story: Lee is a self-made man from humble origins, whose hard work, perseverance and integrity enabled him to climb to the heights of the corporate ladder in our nation's food industry.

Lee entered the food business at the age of 18, beginning on the first rung of the ladder—the slaughtering floor of a Swift and Company meat packing plant. Lee rose from the assembly line to numerous management positions, ultimately becoming President of Swift and Company.

Throughout the remainder of his forty-five year career, Lee would become president of many other leading food companies, including Beatrice Meats; Armour Swift-Eckrich; and ConAgra Refrigerated Foods Companies.

While pursuing a very successful business career, Lee acquired academic degrees from