

## EXTENSIONS OF REMARKS

ADMINISTRATION MISLEADING US  
ON FETAL TISSUE BANK

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. WEISS. Mr. Speaker, within the next few weeks, Congress will again vote on the NIH Revitalization Amendments of 1992. This bill was vetoed last month by President Bush, because of his opposition to a provision that would overturn the ban on Federal funds for fetal tissue transplant research.

All of us in Congress have received heart-breaking letters from family members of patients with Alzheimer's disease, Parkinson's disease, juvenile diabetes, and other illnesses, beseeching us to overturn this ban. Many believe that fetal tissue transplants offer the best hope for their loved ones. In justifying his veto, the President claimed that the needs of those patients could be served by a new federally funded fetal tissue bank, using only tissue from miscarriages and ectopic pregnancies, instead of tissue from elective abortions. Many experts were incredulous that such a bank could possibly be useful, I want to advise my colleagues that the Department of Health and Human Services' own documents show that this bank will not work.

In May, I requested the U.S. Department of Health and Human Services' documentation regarding the viability of a fetal tissue bank. I was shocked to learn that the President's Executive order is based on optimistic guesses that have only a peripheral relationship to scientific fact.

According to HHS' own documents, the administration's estimates of the availability of fetal tissues from spontaneous abortions and ectopic pregnancies are politically motivated optimistic estimates. The Department's own scientists expressed concern that the amount of fetal tissue available from women who were hospitalized during or immediately after their miscarriage "would not be sufficient" and obtaining an adequate supply of tissue from ectopic pregnancies "is more problematic."

The Department's politicization of this issue, of such importance to millions of American families, is unconscionable. However, it is not the end of the story. In addition to misrepresenting the likely usefulness of the tissue bank, the Department has also omitted crucial cost information. Whereas HHS experts estimated that the first year of the tissue bank would cost \$3 million, and this number would increase by an additional \$1 million in each subsequent year, the Department has not mentioned the expected rapid escalation of costs after the first year.

It appears that the criticisms put forth by HHS experts of the fetal tissue bank were not politically correct, and therefore the numbers were inflated to justify the administration's de-

cision to block the expected congressional reversal of the ban on fetal tissue transplant research.

It is profoundly disturbing that the NIH Revitalization Amendments were vetoed on the basis of smoke and mirrors masquerading as hope for victims of Parkinson's disease, Alzheimer's disease, juvenile diabetes, and other devastating illnesses. However, I believe that the newly revised NIH bill, which represents a compromise between the administration's fetal tissue bank and the congressional support of scientific research, is a reasonable one. I therefore urge my colleagues to support this compromise.

The staff analysis of these documents follows:

HUMAN RESOURCES AND INTERGOVERNMENTAL RELATIONS SUBCOMMITTEE OF THE COMMITTEE ON GOVERNMENT OPERATIONS,

Washington, DC.

To: Ted Weiss, Chairman.

From: Diana Zuckerman, Ph.D., Professional Staff Member.

Date: July 21, 1992.

In May 1992, we requested that the Department of Health and Human Services provide the evidence to back up their proposal for a fetal tissue bank using tissue from miscarriages and ectopic pregnancies. The Department repeatedly promised the documents, but did not provide them until the day after the House of Representatives failed to override the President's veto of the NIH Reauthorization bill, which would have required the Department to overturn its ban on Federal funds for fetal tissue transplant research.

The documents provided by HHS indicate that the "evidence" supporting a fetal tissue bank actually indicates why it will not work, and the cost estimates provided by the Administration are far below what their own scientists believe are needed.

In this analysis, I will examine each of the estimates provided by the Department, and explain why they are insupportable, based on their own scientific evidence.

HHS experts estimated that the number of spontaneous abortions each year are between 600,000 and 750,000. Instead of using the average or the most conservative estimate, the Administration chose the highest figure (750,000) in order to support their plan for a tissue bank.

It is widely agreed that tissue from miscarriages would only be usable if the miscarriage occurred in a hospital. However, most miscarriages occur outside the hospital, frequently at home. In the HHS Fact Sheet, the Department states that the most recent statistics available showed that 91,000 women were discharged from hospitals in 1985 with a diagnosis of miscarriage (spontaneous abortion). For no apparent reason other than making their numbers look better, the Department increased this number to 100,000.

Another HHS memo admits that "a significant percentage of these hospital stays would be for subsequent bleeding, infection, etc., that would occur sometime after the

tissue was passed (and lost), probably at home." They are correct that only a small percentage of these hospitalized women were likely to have been in the hospital at the time of the miscarriage and therefore have usable fetal tissue to donate. However, this fact was ignored, as all subsequent Department estimates built on the inflated 100,000 number.

The vast majority of miscarriages involve genetically abnormal fetuses, thus making the fetal tissue unusable for transplantation. In the next step of creative statistics, the Administration estimated that 7% of the 100,000 hospitalized women would have fetal tissue that was genetically normal and recently deceased. This estimate is based on a finding of "almost 7%" in one study at three New York City hospitals, by a scientist (Dr. Julianne Byrne) who was at NIH at the time that the tissue bank idea was being developed. Nobody knows if this percentage would be true at other hospitals in the country.

In the next step, the Administration again used Dr. Byrne's NYC study to estimate that 38% of the 7,000 fetal remains would be between 9-16 weeks of gestational age, resulting in 2,800 usable fetal remains. Again, these estimates ignored the fact that most of those 7,000 miscarriages occurred somewhere other than the hospital, therefore resulting in no usable tissue.

This 38% estimate is appropriate for all types of transplants considered, but is not applicable to each specific kind of transplant. For example, the Director of the Yale fetal tissue bank reports that fetal tissue from 9-12 weeks gestation is necessary for neural transplants (rather than 9-16 weeks).

Infection is a major problem that also causes miscarriage, or can occur after miscarriage. For example, in a letter to Sen. Hatch, Dr. Byrne included "a word of caution: on the basis of unpublished work, I suspect that bacterial infection may play a part in a significant number of these miscarriages. In some cases, the fetus itself was septic. Viral infections would be another worry for the area of transplants." The Department arbitrarily assumed that 45% of the remains will not be usable because of infection. However, according to Dr. Eugene Redmond, Director of the Yale fetal tissue bank, the chances of infection are likely to be much higher. At Yale, where many sterile precautions are used to protect the sterility of tissue from elective abortions, 30% are not usable because of infection. In the much less sterile conditions under which most miscarriages occur, an estimate of at least 60-75% or more would be expected. Dr. Redmond points out that even if a miscarriage occurred in a hospital Emergency Room, it is not likely to be under ideal sterile conditions comparable to those of elective abortions. (For example, in elective abortions, the woman's vagina can be cleaned before the operation, which I have been advised is unlikely to occur before a miscarriage, even in an Emergency Room).

## ALTERNATE ESTIMATE.

If the Administration had stayed with their own 91,000 statistic, rather than arbitrarily increasing it to 100,000, their 7% estimate would have been 6,370 fetal remains in-

\* This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

stead of 7000. However, most important is that both statistics ignore the fact that most of the women who were hospitalized were probably hospitalized too late to donate fetal tissue.

If, for example, one generously assumes that half the miscarriages occurred inside the hospital, the base statistic would be 3,185 instead of 7,000 (or 6,370).

Using the HHS estimate of the number of fetal remains between the ages of 9-16 weeks, 38% of 3,185 would have been 1,114; 38% of 6,370 would have been 2,420. Both these estimates are significantly lower than the HHS estimate.

When the age of the fetus is more than 12 weeks, this must be understood as providing tissue that could be usable for some kinds of transplants, but not for Parkinson's or Alzheimer's.

If HHS had assumed a 60-75% infection rate, and used the estimate of 1,114, this would have resulted in 278-445 fetal remains each year, instead of 1,500.

Whether one uses the 278, 445, or 1,500 estimates, either would be the maximum possible if all hospitals in the U.S. participated, an impossible goal. In fact, it is expected that only a dozen large hospitals will participate in the tissue bank. These estimates also assume that all women would be asked to donate fetal remains, and all would consent to do so; everyone would agree this is another impossible goal.

#### ECTOPIC PREGNANCIES

According to the Department's memorandum, CDC reported 88,000 ectopic pregnancies in 1987. This was arbitrarily "rounded off" to 100,000, because of an assumed increase since then. While experts agree that ectopic pregnancies have increased, nobody knows whether they have increased that dramatically.

According to information in the HHS memoranda, 75% of ectopic pregnancies are terminated before 8 weeks, which is too early to use for fetal tissue transplants. Therefore, the Administration estimated that 25% (25,000) would be of the appropriate gestational age.

A drug has been developed that can be used instead of surgery for the termination of ectopic pregnancies. This drug destroys the fetal tissue, so that it can not be donated. The Department estimated that 80% of ectopic pregnancies of more than 8 weeks gestation would be terminated by surgery, thus producing 20,000 fetal tissue remains. However, other experts have estimated that in the coming years, most will be terminated with nonsurgical means. Currently, some of the experts in the field (the same people most likely to participate in a tissue bank) are already using nonsurgical methods on most of their patients. If we conservatively estimate that half of these ectopic pregnancies will be surgically terminated, that would be 12,500 instead of 20,000.

In the HHS fact sheet, Department experts admitted that only 5% of ectopic pregnancies yield potentially viable fetal tissue. This reduces their estimate to 1,000; in comparison, 5% of our 12,500 estimate would be only 625.

The Department estimated that 20%-50% of these 1,000 remains would be abnormal, reducing the usable remains to 500-800. Our comparable statistic of 20%-50% of 625 would be 312-500. (This would take into account that half the ectopic pregnancies will probably be terminated by drugs instead of surgery.)

#### TOTAL USABLE REMAINS

The estimates that we have presented above are based on information provided to

the Assistant Secretary for Health in documents including but not limited to an internal NIH memo in April 13 of this year. By giving the Administration's plan the benefit of many doubts, we arrive at a maximum possible number of approximately 650 remains, which is less than one third the Department's estimate of 2,000. When we consider the likely participation rate of hospitals (certainly less than 5%) and patients (to be generous, let's say 75%), we arrive at a maximum estimate of 24 remains each year. This estimate is similar to the approximately 1.4 usable remains per major participating hospital that was estimated by Dr. Redmond at Yale; it is not at all consistent with the 2,000 remains (a meaningless nationwide estimate) that were presented as a goal by the Administration.

In speaking to some of the experts who support the proposed tissue bank, I was told that they believe the small amount of tissue that will be available from the bank could be useful in research attempting to develop cell lines that could be used to provide tissue for transplants, but not in providing sufficient fetal tissue for transplants. In other words, they want Federal funding for developing methods to use a small amount of fetal tissue that can be grown into larger amounts of tissue in the laboratory. If it works, this research could be very helpful for patients several years from now; however, they acknowledge that the tissue bank would not be sufficient to treat even small numbers of patients during the next few years. It therefore appears that the scientists who support the tissue bank have a different agenda from the Administration's stated goal. For example, in an April 1992 memorandum, two HHS physicians (Dr. Sandra Mahkorn and Dr. William Archer) advised Dr. Mason that the 1,000-2,000 remains in the tissue bank would provide sufficient tissue for 6,000-7,000 transplants. This estimate appears to have no basis in fact; for example, experts informed HHS that each transplant requires the tissue from at least one fetus.

#### CONFLICTS OF INTEREST

It is also important to note that some of the scientists who were most supportive of the fetal tissue bank are now planning to apply for funding to participate in such a bank. For example, Dr. Maria Michejda of Georgetown University, whose October 1990 letter to Dr. Bernadine Healy and subsequent briefing to HHS appear to have been instrumental in encouraging the creation of a fetal tissue bank, is one of 13 researchers who wrote to HHS to say they intend to apply for tissue bank funds. Another example is Dr. Michael Caudle from the University of Tennessee Medical Center in Knoxville, who wrote letters to President Bush and the Washington Post supporting the creation of a fetal tissue bank, and also intends to apply for funds.

Given the large number of scientists who believe the tissue bank will not work, these activities suggest that scientific judgment may have been biased by the desire for grant money. While their funding applications would not be surprising or illegal, if those individuals are awarded these funds, it will raise questions of a quid pro quo arrangement with the administration.

#### COSTS

In addition to misrepresenting the amount of fetal tissue that is likely to be available, the Department has not been completely accurate in describing the costs. According to HHS memoranda, HHS experts estimated that the first year of the tissue bank would

cost \$3 million, and this would increase by \$1 million in each subsequent year (i.e. \$4 million the second year, \$5 million the third year, etc). However, in his press conference, Dr. Mason only mentioned the first year cost of \$3 million, not mentioning the expected increases in subsequent years. Moreover in a letter to Rep. Nancy Johnson, the director of the Yale tissue bank has explained that 3-4 professional staff (including a neurosurgeon) would have to be on call 24-hours each day at each participating hospital in order to obtain tissue at any time a miscarriage occurs; this would obviously increase the cost far above the \$3 million budgeted for the first year.

#### ST. MARY'S PARISH CELEBRATES CENTENNIAL ANNIVERSARY

##### HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. COSTELLO. Mr. Speaker, I rise today in recognition of St. Mary's Parish in Belleville, IL. St. Mary's celebrates its centennial anniversary this year, and a series of special events to commemorate this milestone will begin this weekend and run through the spring of 1993.

St. Mary's current building was built on Belleville's western boundary in 1893. This Sunday, the congregation will not only look back on their 100-year history but will look to the future in a newly renovated church building. I commend all those who helped make this newly furnished house of worship possible.

St. Mary's congregation has seen considerable growth in the last century. This centennial celebration is a time to reflect on the fellowship and warm memories shared within the church over the years.

I want to wish the congregation of St. Mary's Parish a happy and blessed centennial anniversary, and I ask my colleagues to join me in saluting St. Mary's Parish on this special anniversary.

#### A TRIBUTE TO DILLARD J.F. HARRIS

##### HON. GEORGE E. SANGMEISTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. SANGMEISTER. Mr. Speaker, I rise today to commend an exemplary resident of my district and citizen of this Nation, Dillard J.F. Harris of Shorewood, IL.

Mr. Harris served this Nation as a member of the U.S. Air Force and Air Force Reserve from 1957 to 1984. He saw combat action in Vietnam as a master navigator and during his military career, he rose to the rank of lieutenant colonel.

As if 27 years of proud service to this country were not enough, Mr. Harris has worked tirelessly to improve his community.

An accomplished educator and school administrator, he took the helm of the Fairmont School District near Joliet at a time of crisis in

1976, and when he retired 15 years later, left the district in sound financial and educational condition.

Mr. Harris has been an active contributor to his community as a member and distinguished officer of the Lions Clubs International. He has received numerous commendations from the Lions Clubs, but while his honors are splendid, they pale in comparison to his unceasing efforts to obtain a \$50,000 grant from the Lions Clubs International Foundation to help rebuild Plainfield High School, which was destroyed by the 1990 tornado that ravaged my district.

The list of community organizations in which he has been a leader is impressive indeed: president of the Guardian Angel Home board of directors; president of the Joliet Branch of the NAACP; president of the Greater Joliet Area YMCA board of directors; organizer and president of the Will County Area Alliance of Black School Educators; organizer and president of the Joliet Alumni Chapter of Kappa Alpha Psi Fraternity, Inc.; and a volunteer in the Will County Emergency Service Disaster Agency. The list could go on literally for hours.

Mr. Speaker, if all of this Nation's citizens expended just a fraction of the energy that Mr. Harris does on civic causes, I believe many of our community problems would disappear.

#### SALUTE TO CAROLE DOYLE

#### HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, July 21, 1992*

Mr. GALLEGLY. Mr. Speaker, I rise today to honor Carole Doyle, the longtime executive director of the Carpinteria, CA, Chamber of Commerce upon her retirement.

Mrs. Doyle has served as executive director for 9 years, during which time she represented the chamber at hundreds of events, served as a liaison between the city government and the city's business community, and worked tirelessly to promote the city's business climate.

Mrs. Doyle has also been active in a number of other organizations, including serving on the boards of the Salvation Army and the Girls Club, and as the first female president of the Carpinteria Rotary Club.

She plans to spend her retirement traveling with her husband, Bill, and spending time with her children and grandchildren.

Mr. Speaker, Mrs. Doyle will be honored for her achievements at a barbecue on Friday. I ask my colleagues to join me in saluting her, and in wishing her and Bill well on their retirement.

#### THE U.S. STRATEGIC NUCLEAR TRIAD

#### HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, July 21, 1992*

Mr. FASCELL. Mr. Speaker, the U.S. strategic nuclear triad was and continues to be the bedrock of this country's strategic nuclear deterrent and modernization plans. In the wake

of the collapse of Soviet communism and the race to weapons disarmament as opposed to weapons procurement, it is most timely for Congress to thoroughly and comprehensively reexamine the air, land, and sea legs of our nuclear forces to determine whether the rationale for a triad is still sound, and practical, and affordable in the post-cold-war world.

Fortunately, there is a major new General Accounting Office [GAO] study of the U.S. strategic triad that provides in-depth research, extensive investigatory findings, and careful analysis to inform the public and congressional debate on the triad which should and will take place over the next few years. For the time being this GAO study is classified but it is my expectation that it will be declassified soon in order to allow the Congress and the public to enrich their consideration of this issue which is so fundamental to U.S. national security and defense and so costly to the national budget.

Over 2 years ago, in April 1990, I wrote to the head of GAO, Comptroller General Charles Bowsher, to seek GAO's assistance in addressing a very fundamental question facing the Congress of how to best provide for the security of the United States in the face of the budget deficit and the changing context of East-West relations. As the United States and the Soviet Union reach new agreements on strategic arms reductions, Congress will be making important decisions concerning the size and the quality of the air/land/sea components of our strategic offensive forces structure. Specifically, I requested that the GAO focus on the effectiveness, cost, policy, and arms control implications for each component of the triad and for any likely nuclear modernization upgrades. This work by GAO has now been completed in a several-volume study.

The GAO study of the strategic triad evaluates comprehensively all the major upgrades of the U.S. strategic nuclear triad and the implications for the future of arms control, U.S. defense spending, and the international security environment. GAO makes recommendations relevant to all the major deployed and proposed nuclear weapon systems in the U.S. strategic triad. The GAO report assesses the triad's strengths and weaknesses while examining the assumptions underlying U.S. defense procurement strategy. It looks at the rationale, cost, historic context, and effectiveness of each proposed strategic nuclear system upgrade by setting them in the current arms control context.

The GAO study examines whether, even before the recent upheaval and splintering of the Soviet defense structure, the United States had overestimated the Soviet threat and if the United States triad now requires the same structure, numbers, and alert status. The present period is portrayed in the study as a time when the triad can and should be adjusted, trimmed, and realigned. The GAO estimated that DOD plans for strategic weapons modernization would cost \$350 billion during their total life cycle. The GAO study proposed over \$100 billion in net savings from changes in all three legs of the U.S. strategic triad. The June 1992 reductions certainly require a thorough re-examination of the U.S. requirements for its strategic nuclear weapons systems re-

sulting in even greater savings. This comprehensive GAO study provides an important baseline from which to make such a re-evaluation in cost and security terms.

The GAO study will inform the congressional debate on defense, security, and arms control in the years ahead at several levels.

First, Congress faces and will continue to face large budget requests for continued strategic nuclear weapon modernization. The findings in the GAO study will assist us in finding answers to questions such as: Does the Bush-Yeltsin agreement to reduce respective nuclear arsenals to 3,500 warheads strengthen or weaken the case for the B-2 bomber? Which leg of the triad is the most cost-effective and which leg should be protected in a time of budgetary crunch? Which leg of the triad is the least attractive in the current international security setting and how far can we go in reductions of that leg?

Second, Members of Congress have held a variety of common assumptions regarding defense and arms control which will be challenged by the GAO report not only regarding the future validity and applicability of those assumptions but also regarding whether or not those assumptions were ever valid and applicable in the past. Some of the common assumptions which are challenged by the report include: the "window of ICBM vulnerability"; the need to hedge against the detection vulnerability of submarines; communication weaknesses to strategic submarines; and the strength of Soviet air defenses.

Third, the strategic nuclear triad has been the basis of the U.S. nuclear deterrent since the 1960's and, since then, its existence and rationale have rarely, if ever, been basically challenged. Now, with the Bush-Yeltsin reductions to 3,000-3,500 warheads, it may be time to question the viability and practicality of the triad. It may be time to examine carefully whether or not a dyad might serve us as well as the triad. The GAO study will provide insights into these crucial evaluations of the triad.

Fourth, there are many lessons in the GAO study about how the Congress should be assessing requests for new weapons systems, strategic and conventional. Some of GAO's most significant findings come from simply comparing various weapons systems using some common measures of comparison. The study tells us how older systems compare to newer ones and how weapons in one leg of the triad compare to weapons in another leg. There are some surprising results in these comparisons. The GAO study also gave hard scrutiny to the performance of various weapon systems and compared the factual findings based on operational testing and military exercise data with the promotional assertions of the military/industrial complex.

At this time, the details, findings, and basic data of this GAO study are classified. It is my expectation that the Department of Defense will move quickly in returning to the GAO the security reviews so that the Congress and the public can begin a careful and extensive process of debating the future of our strategic nuclear triad. In the interim, the Committee on Foreign Affairs can arrange a classified briefing by the GAO on this study for any Member of Congress.

With the end of the cold war this GAO study is very timely and will assist the Congress and the public in a thorough and comprehensive assessment of the continued feasibility and practicality of the triad.

A TRIBUTE TO THE LATE DICK  
SIMS GEHRIG

**HON. IKE SKELTON**

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. SKELTON. Mr. Speaker, today I honor the memory of an outstanding Missourian, Dick Gehrig, who passed away recently at the age of 77. He made significant contributions to the State of Missouri and to his country.

Dick Gehrig was born to Richard A. and Pearl Sims Gehrig on January 23, 1915, in Salisbury, MO. He attended public school in Salisbury, and the University of Missouri-Columbia. In 1939, after training at Camp Kalsar, Dick was appointed to the Missouri State Highway Patrol.

On June 1, 1940, Dick was married to Letitia E. Mason in Warrensburg, MO. They have one daughter, Dr. Gail Gehrig. She and her husband currently live in Oak Park, IL, with two children.

Dick Gehrig served with distinction in the U.S. Army during World War II, after which he returned to the patrol and to Missouri. During this time, he served as sergeant of the patrol in Lafayette County, where I became well acquainted with him. Dick was promoted in 1966 from troop A to the rank of captain and transferred to Jefferson City, MO, where he served under the commander of troop F. In 1973, he was promoted to major and acted as the district commander at the Missouri State Highway Patrol headquarters. Dick was named lieutenant colonel and assistant superintendent in 1974, in which he performed up until his retirement in 1975.

During his lifetime, Dick also contributed to his local community through being a member of the First Christian Church and the Sunrise Optimist Club of Jefferson City.

Dick Sims Gehrig will be not only missed by his family and many friends, but by his community as well.

STOP CIGARETTE ADVERTISING

**HON. FORTNEY PETE STARK**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. STARK. Mr. Speaker, constituents all across the country are very concerned about the deadly effects of cigarette advertising on the American public, and specifically on our country's impressionable youth. I recently received a letter from a high school student in my district documenting the influence that cigarette advertisements have on his schoolmates. The advertisements, in his opinion, contribute to young people's decision to poison their bodies with cigarette smoke. The letter follows:

EXTENSIONS OF REMARKS

I'm writing to you because of a killer. Yes, that is right, cancer. I know that you are doing the best that you can to fight this disease, but I think you should put more effort into preventing cancer than into finding a cure. As is widely known, lung cancer is the leading killer among all cancers and smoking cigarettes is the number one cause of lung cancer. I think that you need to push magazine owners to the point that they will not print cigarette advertisements.

I have conducted my own survey among my high school classmates who spoke about the reasons that they began to smoke. More than fifty percent of them said that they started because they saw somebody in a magazine smoking and enjoying it. If you were able to stop the magazine owners from printing cigarette advertisements I think that you could cut down on the number of lung cancer cases in our country in the long run.

Sincerely Yours,

MICHAEL C. KLEWS,  
CVHS sophomore.

Cigarette companies are able to write off their advertising expenses as a tax deductible business expense. Much of the advertising campaigns are aimed at our country's youth and are apparently extremely influential. For this reason H.R. 5499 has been introduced to remove all tax deductions for advertisement and promotion expenditures that encourage the use of tobacco products. The following Congressmen have joined in cosponsoring: BARNEY FRANK, CHESTER ATKINS, JAMES HANSEN, JAMES OBERSTAR, MIKE SYNAR, HENRY WAXMAN, LANE EVANS, MEL LEVINE, HOWARD BERMAN, and PETER DEFAZIO.

TRIBUTE TO SISTER ANNETTE  
EMBRICH

**HON. JERRY F. COSTELLO**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. COSTELLO. Mr. Speaker, I rise today and ask my colleagues to join me in congratulating Sister Annette Embrich, a member of the Adorers of the Blood of Christ, a native of Centreville, IL. Her provincial house is located in Ruma, IL. On July 1, 1967, Sister Annette accepted her final religious vows. This year marks the 25th anniversary of this momentous occasion.

Sister Annette Embrich is currently working as an elementary school teacher at St. John's School in Tucson, AZ. She has been teaching grades 3-8 since 1988. During her 25 years of service to God, she has dedicated much of her energy to education and social services for the poor and needy.

Because Sister Annette has a distinct interest in Hispanic culture, she has worked closely with the Hispanic community in Fairmont City, IL. Her fellow sisters describe her as a caring and pleasant person who is faithful in her service to the Lord.

I would like for my colleagues to recognize Sister Annette Embrich's dedication and service to the Adorers of the Blood of Christ and join me as I applaud her for her lifelong commitment.

A TRIBUTE TO REV. ALONZO O.  
GRAHAM

**HON. CONSTANCE A. MORELLA**

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mrs. MORELLA. Mr. Speaker, I wish to congratulate Rev. Alonzo O. Graham, an outstanding constituent of mine from Damascus, MD, who will be honored on Friday, July 31, for his dedicated service to the Pleasant Grove Christian Community Church. Reverend Graham will be retiring after a quarter of a century of service to the church he founded.

Reverend Graham has demonstrated extraordinary leadership qualities for the past 25 years. He has created a community of faith and has inspired his parishioners. As founder and pastor of the Pleasant Grove Church, he has been a moral and spiritual leader in complex times, a guiding light for the congregation. Through his guidance, the congregation has increased and the number of church auxiliaries has multiplied. Sunday school and Bible study groups are well attended because of his exemplary presence. Reverend Graham also is a leading figure in the broader religious community, having founded the United Council of Christian Community Churches for Maryland and vicinity.

He was born 87 years ago, reared in Montgomery County, and he and his wife have raised four lovely daughters there.

I offer my best wishes to Reverend Graham and his family. I thank him for his generous spirit and selfless devotion to the needs of the community.

WOMEN'S ATHLETICS

**HON. MICHAEL G. OXLEY**

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. OXLEY. Mr. Speaker, last month marked the 20th anniversary of the enactment of title IX of the Education Amendments of 1972. This law prohibits discrimination on the basis of sexual identity in any educational program receiving Federal funds.

In April, the Subcommittee on Commerce, Consumer Protection and Competitiveness examined women's participation in intercollegiate athletics as it relates to title IX. Based on the testimony presented in that hearing, it was obvious that tremendous progress has been made in the last two decades. However, several of the witnesses made it clear to the subcommittee that the job is far from complete.

At the hearing, NCAA executive director Dick Schultz and Phyllis Howlett, assistant commissioner of the Big Ten Conference and chair of the NCAA's Committee on Women's Athletics pledged to the subcommittee that the NCAA would take a leadership role in assuring equal opportunities for all women in college sports. To that end, Mr. Schultz announced the formation of a new Gender Equity Task Force which is cochaired by Ms. Howlett.

The task force's ambitious and laudable charge is "to determine how the association

will define gender equity; to identify any NCAA legislation or practice that would hinder a member in complying with the NCAA, Federal, or State legislation; to recommend remedial legislation (if necessary), and to recommend affirmative action where appropriate."

I have had discussions with the NCAA on this subject, and I am convinced that the task force is highly motivated and will produce a document which we all find essential reading as we focus on the future of women's athletics. I commend Ms. Howlett and the NCAA on this initiative, and I look forward to their findings.

In an article in the June 10 issue of the NCAA News, Ms. Howlett describes the development of women's athletics and the mission of the Gender Equity Task Force. I recommend this article to my colleagues for its insight into what we can expect in the coming months from the NCAA and I ask unanimous consent to insert the editorial in the CONGRESSIONAL RECORD at this point.

[From the NCAA News, June 10, 1992]

#### SENSITIVITY THE KEY IN FOCUS ON EQUITY

(By Phyllis L. Howlett)

The rich traditions of intercollegiate athletics began with the development of competitive opportunities for male students of higher education. Today, those sports—and the pageantry that surrounds them—have become a part of the American culture in a way that helps weave higher education into the fabric of this country.

The development of women's intercollegiate athletics was remarkably different—more a result of the women's rights movement than an outgrowth of higher education. Women's programs evolved separately and unequally until finally, in 1972, the Federal government delivered the word in the form of Title IX: If athletics competition is a viable mission for higher education, it has equal value for men and women.

After Title IX became law, the face of intercollegiate athletics changed as institutions added programs for women. In many cases, the motivator was fear of the promised Federal sanctions for noncompliance. Whatever the reason, collegiate women began to compete in growing numbers.

At larger institutions where income generated by the athletics enterprise supported the program, it was expected that this new growth of program should be supported in the same manner. To some extent, the expansion was possible to fund because of the growth in television income and because the public was willing to attend events in greater numbers despite higher ticket prices.

Those sources of revenue are less certain now, and after 20 years of Title IX, many of those involved with women's sports believe that progress has stalled, that competitive opportunities have stagnated, that financing is inequitable, that men's programs get better facilities and equipment. Others see it just the opposite: that women's programs are creating a financial drain that could ruin intercollegiate athletics. To say the issue is emotional understates the case.

A year ago, at the request of the Committee on Women's Athletics, the NCAA began a study of the status of women's sports. The study provided an overview of how colleges and universities are dealing with gender equity, and it suggested that a significant disparity may exist between men's and women's programs.

In response to the findings of the survey, Executive Director Richard D. Schultz called

for the creation of a gender-equity task force that would examine the problem and identify solutions. James J. Whalen, president of Ithaca College, and I were selected to serve as co-chairs. Our first meeting will be July 9 in Dallas.

Our charge is to determine how the Association will define gender equity; to identify any NCAA legislation or practice that would hinder a member in complying with NCAA, Federal or state legislation; to recommend remedial legislation (if necessary), and to recommend affirmative action where appropriate.

To accomplish this, the task force must consider a vast amount of information and deliberate with sensitivity to find the best solutions. We are depending upon the membership to provide recommendations and to express any concerns about what could result from gender-equity legislation.

We fervently hope to achieve our goals in such a manner that equity can be achieved without damaging the long-valued and traditional men's programs.

That is our challenge.

#### IRA-TYPE SAVINGS THAT WORK: INDIVIDUAL RESPONSIBILITY ACCOUNTS

### HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. VANDER JAGT. Mr. Speaker, recently while holding office hours in our Muskegon district office, I had the truly good fortune to visit with Mr. Glen Kepner, of Muskegon, MI, regarding his thoughts—and a plan—for encouraging individual savings and taking advantage of the private financial markets to provide a broad range of personal financial security and opportunity.

This Congress has recently attempted to grapple with savings incentives and the need for a national economic growth program. I believe that we can all agree that, whenever possible, individuals, not government, ought to provide for their own long-term security.

Parallel with this idea, of course, is that government has an interest in encouraging such individual planning—both because it relieves government of a potential burden and because such planning involves savings and investment which fuel the economic engine of the nation.

As a Member of the House Committee on Ways and Means, I am, of course, supportive of the prudent use of our tax system to provide the appropriate incentives to individuals to engage in personal planning. Glen Kepner has developed a broad ranging approach to the use of a familiar personal savings tool, the Individual Retirement Account, to meet personal growth and financial security objectives.

A clear advantage of Mr. Kepner's plans is that they infuse capital into financial markets at the same time that they provide for personal needs. The merits of shifting a major share of certain health, education, and retirement burdens to the system of tax incentives rather than tax consumption are also clear.

Because of what I believed to be the unique nature of the range of Mr. Kepner's ideas, I asked our minority committee staff to do a

brief analysis. As anticipated, it was pointed out that these ideas would lose significant amounts of revenue. However, what was not said, and what would clearly be the case, is that the medical and educational savings incentives, in addition to the unique retirement program, would save government, Federal and local, billions of dollars.

And, in addition to the savings, the programs would permit individuals to control their own destiny. Finally, of course, such an approach would permit the allocation of scarce, and growing scarcer, government resources to those who are truly disadvantaged in programs which could offer true hope for the future.

I recommend to my colleagues' careful review the suggestions and analysis of Glen Kepner which follows. I have included, at the conclusion, the comments of staff which demonstrate both the validity of the concepts and their uniqueness. I look forward to the opportunity to explore these ideas, and to a future opportunity to use them as the basis for a true reform of government's incentives for individual responsibility and for economic growth.

Three things I was never taught:

1. You are responsible for your own financial security.

2. You can do it!

3. Here is how you do it.

To help each individual to take charge and improve his/her financial security, I propose three new types of individual account:

1. IDA—Individual Development Account. This account would be designed to provide funds for the individual's education and development.

2. ISA—Individual Security Account. This account would allow the individual to build personal and family wealth. It would eventually replace the present Social Security system, but would continue to be backed up by a new system that would guarantee that the individual would come out as good as or better than now.

3. IMA—Individual Medical Account. This account would provide a way for the individual to accumulate the funds needed to pay the deductibles and co-payments not covered by insurance, especially those required by the higher-deductible, lower-cost policies. Those who are fortunate enough to not need to spend these funds on medical costs would accumulate individual and family wealth in this account. These accounts could grow to substantial amounts and could pave the way for significantly changing the role of medicare and medicaid.

These three accounts, together with retirement accounts—IRA, 401k, 403b, Keough plans, employer sponsored plans, etc.—will provide the foundation for an individually based cradle-to-grave security system. Government programs will still have to supplement for some, but hopefully not as many as now. This is not a quick fix solution, but will take time. Results and benefits will grow gradually as the individual accounts grow. Full benefits of some of these programs will come in only a few years, others will take 20 or 30 years to develop—but the real benefits will be realized by our next and succeeding generations through the controlled and forced growth of individual and family wealth and through the firmer financial foundation that this makes for our entire country. We are talking billions and trillions of dollars in savings and investments.

IDA—INDIVIDUAL DEVELOPMENT ACCOUNT

Invest up to \$2000 @ birth.

@ 6% for 20 years = \$6,400.

@ 9% for 20 years = \$11,200.

@ 12% for 20 years = \$19,300.

@ 15% for 20 years = \$32,700.

Invest up to \$2000 per year for 20 years.

@ 6% = \$74,000.

@ 9% = \$102,000.

@ 12% = \$144,000.

@ 15% = \$205,000.

Contributions to come from gifts, individual earnings.

Contributions not tax-deductible.

Even those on welfare or other assistance would be able to invest in an IDA for each child without affecting their eligibility. (Wouldn't it be great if they would put the cigarette and beer money into an IDA instead to help break the cycle of poverty for their children?)

Adults would, of course, be expected to use their IDA to stay off of or get off of assistance.

Account grows tax-free.

Proceeds are tax-free when used for:

Education. Funds would be paid through Financial Aid department of school.

Volunteer and charitable service. Funds would be paid through church or other organization.

Spouse's or children's education.

If there is sufficient money left in account, up to \$20,000 could be used, tax-free, for down payment on home, but this would affect taxable basis of home.

Proceeds could also be available for "emergencies", but only under very limited conditions.

Funds not used for above purposes could be transferred to ISA, IMA, or IRA subject to conditions.

At death: 25% to IRS.

Balance to spouse's, children's relative's IDA.

Much of this can be done now within the IRA program, but it requires an extreme amount of creativity, only a few can "get away with it legally", and proceeds are subject to a 10% penalty and are taxable when withdrawn.

The President's proposal for \$25,000 in student loan guarantees would be an excellent transition to this IDA program.

#### ISA—INDIVIDUAL SECURITY ACCOUNT

Invest 6 percent of gross wages. (Funded from present Social Security contributions, individual and employer.)

Half retained by IRS or SSA in individual interest-bearing account, government securities.

Half could be transferred once/year to an individual, private account.

Encourage individuals to use equity mutual funds for their individual accounts to provide capital investment funds for the growth of the economy and to provide for the possibility/probability of higher investment return. The role of Social Security and of the government would be to insure that the individual would get at least as much as under the present program. The government would, in effect, be guaranteeing the economy. Instead of encouraging individuals to preserve capital, this would encourage them to go for growth, and with this amount of capital being continuously invested, the chances of major recession or depression are greatly reduced.

The balance of the Social Security contributions would be used for the insurance aspects of the program and for transition from the present program.

Money can be drawn out only for retirement or disability.

Retirement would be at age 65, or it could be earlier if and when the individual account

reaches an amount sufficient to provide adequate lifetime income. (If you could invest 6 percent of your earnings at a 12 percent rate of return for 25 years, you could live forever from the proceeds—if you could live forever.)

Individual Security Income would be based on the higher of:

Amount determined from present Social Security formula.

Amount determined from account value.

Amount determined from future changes to Individual Security/Social Security programs.

Payments to the individual would come first from the individual account.

If/when the individual account is exhausted, Social Security would take over as insurance to continue payments at the appropriate level.

Income would be partially taxed, as at present or as determined to be appropriate. There would be no "earnings test". It would be your money in the individual account, your money that paid for the insurance part of the program.

At Death:

25 percent to IRS.

Balance to family IDA's and ISA's.

This program requires major legislation and major changes in thinking, but would be a true win-win program!

#### IMA—INDIVIDUAL MEDICAL ACCOUNT

The individual would choose own health insurance policy—this can be self-paid, employer-paid, government-subsidized, or whatever. (Tax deductible.)

The ideal policy would be a major medical policy with a high deductible, say \$3000.

Deposit \$2000 per year in IMA, an interest bearing account, managed and administered privately. (Tax deductible.)

Use a "Health Care Card" to pay for care. (Similar to Visa, Mastercard, etc., but prepaid.)

Insurance, government subsidy would also be channeled through health care card.

If costs exceed \$2000, individual pays difference up to \$3000 level. (Tax deductible.)

Funds not used can be left to accumulate for future needs or used to replace/reduce future premiums and contributions.

These "excess funds" could be invested in equity mutual funds for better growth and for better growth of the economy.

The incentive is for the individual to control and reduce own costs and to find the most cost-effective care and treatment and insurance, because what you save, you keep. For those in good health, the accumulation could be substantial.

No tax on accumulation or on funds used for medical insurance or for medical care.

At Death:

25% to IRS.

Balance to family IMA's.

Most of this could be done now except that the tax deductibility of funds depends on who pays them, and growth of the fund is usually taxable.

#### IRA—INDIVIDUAL RETIREMENT ACCOUNT

Optional, supplementary retirement account.

IRA, 401k, Keough plans, employer plans, etc.

Plans are good now, no major changes needed.

Allow funds to be transferred to IMA without penalty or taxation.

GLEN W. KEPNER,

June 1, 1992.

#### COMMITTEE ON WAYS AND MEANS,

Washington, DC, June 30, 1992.

To: The Honorable Guy Vander Jagt.

From: Paul M. Auster, Assistant Minority Tax Counsel.

Re: Correspondence of Mr. Glen Kepner.

Mr. Kepner's correspondence contains three proposals that are modeled after the current IRA provisions and are intended to assist taxpayers in the following areas—financing educational expenses, providing for their retirement by establishing an alternative to the current Social Security system, and providing financing for their medical expenses. In general, the proposals call for the establishment of an IRA type account to which contributions would be made. Contributions would be deductible only in the case of the medical account. However, earnings in all three accounts would be tax-exempt. After reviewing the applicable materials it would appear as if the tax-free income accumulation and the tax deductible contributions to only one account would, because of the amounts involved, result in a significant revenue loss. Of course, only a revenue estimate from the Treasury or Joint Committee on Taxation could verify this.

It should be noted that each proposal raises significant tax policy and technical tax issues. At this stage of discussion, a review of these issues is premature. However, a brief review of one proposal should be done here. Mr. Kepner proposes three separate accounts—an Individual Development Account, an Individual Security Account and an Individual Medical Account. Of these three, the Individual Security Account appears to be the most unique. More specifically, this account would be used to supplement and replace our current Social Security system. While the other two accounts do address legitimate areas of need—education and medical—the use of IRAs for these purposes has been attempted in numerous proposals. On the other hand, few proposals have attempted to use the IRA to replace the Social Security system. Thus, the ISA represents a new and innovative use of IRA accounts. In this regard you may be aware of the fact that Mr. Thomas has introduced H.R. 5159 which also uses the IRA to supplement and replace our current Social Security system. Thus, Mr. Kepner appears to have developed a proposal that is one of the first to use the IRA in this unique way.

In summary, Mr. Kepner's proposals raise a number of technical and tax policy issues. In addition, it appears as if the proposals would lose significant amounts of revenue. While each of his proposals seeks to provide taxpayers with additional funds to meet various needs, one account, the ISA, represents a new and unique way of using IRAs to allow people to meet the financial needs of their retirement years.

Please contact me if I may be of further assistance.

#### MYTH VERSUS REALITY ON THE ADMINISTRATION'S CHINA POLICY

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. PEASE. Mr. Speaker, today we will be voting on H.R. 5381, the United States-China Act of 1992. This bill would attach human rights, trade, and weapons nonproliferation conditions to the extension of most-favored-nation [MFN] status to China in 1993.

The administration opposes H.R. 5318, claiming that unconditional renewal of MFN to China has yielded improvements in the PRC's human rights, trade, and weapons policies. There has been a tremendous amount of misinformation disseminated on the degree to which the Chinese Government has demonstrated a good faith effort to better its record in these areas. The following differentiates myth from reality:

## MYTH

China has demonstrated substantial progress on human rights policy.

## REALITY

Beijing authorities told Secretary Baker last November that they would grant visas to approximately 20 dissidents, but only 2 have been allowed to leave.

Chinese leaders pledged to Secretary Baker that China would cease exporting goods made by prison laborers, yet China was later caught shipping diesel engines made by prisoners. Also, reports indicate that Chinese authorities still refuse to allow United States officials access to prison labor camps for verification of China's adherence to the United States-PRC Memorandum of Understanding [MOU] on export of forced labor products to the United States. This MOU has not been released; its exact contents therefore remain unknown.

PRC officials promised to account for hundreds of political prisoners jailed after the 1989 Tiananmen Square uprising, but instead provided inadequate, often useless information.

PRC officials promised to account for hundreds of political prisoners jailed the 1989 Tiananmen Square uprising, but instead provided inadequate, often useless information.

Chinese police harassed foreign journalists including the Washington Post's Beijing correspondent, Lena H. Sun. Some of Sun's files were seized and her husband and 2-year-old son were held under house arrest during the office search.

Beijing authorities denied visa requests by Senate Intelligence Committee Chairman David L. Boren and Senate Foreign Relations Committee Chairman Claiborne Pell for visits last April. Both Senators have criticized China's human rights, trade, and weapons proliferation policies. On the eve of the third anniversary of the Tiananmen Square massacre, PRC police brutalized peaceful demonstrators and members of the press.

Beijing authorities have arrested 30 or more dissidents since late May as part of a crackdown on an underground organization dedicated to political reform. The arrests, which hit at least five universities or college-level institutes in Beijing, constitute one of the largest roundups of dissidents since the detentions immediately following the June 1989 Tiananmen Square incident.

## MYTH

United States-China trade relations have improved.

## REALITY

The United States trade deficit with China has increased steadily over the past decade. United States exports to China between 1980 and 1991 increased by 67 percent, while imports from China grew by 1,694 percent. This reflects a rapidly growing trade imbalance that

reached \$12.7 billion in 1991, compared to \$6 billion in 1989 and \$10.4 billion in 1990. Between 1990 and 1991, China moved from being the United States' third largest, to its second largest, deficit trading partner after Japan. The United States-China trade imbalance is expected to reach nearly \$20 billion in 1992.

The growing United States trade deficit with China is attributed to dumping, currency devaluation, and the exporting of products made through cheap prison labor. Additionally, China continues to violate export quotas by shipping its products through Hong Kong. These products are relabeled and exported to the United States. Such transshipment has cost the United States millions in customs duties.

## MYTH

China has shown a commitment to non-proliferation of nuclear weapons and technology.

## REALITY

On January 31, 1992, the New York Times reported a Chinese delivery to Syria of 30 tons of chemicals needed to build a solid-fuel missile and the transfer to Pakistan of guidance units to control the flight of the M-11 missile.

On February 22, 1992, the Washington Post reported that the Senate Foreign Relations Committee was informed in a closed briefing of Chinese contracts to sell more than \$1 billion in missile and nuclear-related technology to Iran, Syria, Pakistan, and other countries in the Middle East.

On April 3, 1992, the Los Angeles Times reported that Chinese officials were negotiating with Iran for possible delivery of guidance systems that could have been used for ballistic missiles.

On April 22, 1992, the Washington Times reported a Chinese deal with Iran for a fleet of Chinese patrol boats equipped with Styx anti-ship missiles.

On April 28, 1992, the Washington Post reported that China unloaded small arms at a Libyan port after the April 15 embargo against Libya was imposed by the U.N. Security Council.

On May 21, 1992, China conducted an underground nuclear test of 1,000 kilotons (equivalent to setting off 1 million tons of TNT) for a new intercontinental ballistic missile that is being developed. This blast far exceeded the generally accepted 150-kiloton limit agreed on in 1974 by the United States and the former Soviet Union.

I urge my colleagues to support H.R. 5318. Unconditional extension of MFN has clearly provided us with little to no leverage in dealing with the Chinese Government.

IN MEMORY OF WILLIAM F.  
FRATCHER

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. SKELTON. Mr. Speaker, today I pay tribute to one of Missouri's most distinguished and dedicated educators, William F. Fratcher, who recently passed away.

Born in Detroit, April 4, 1913, William Fratcher received his bachelor's and master's

degrees from Wayne State University. He earned his law degree, master's degree in law and doctor of laws from the University of Michigan, and began practicing law in Detroit in 1936. In 1941 he married Florene Briscoe.

William Fratcher served as a second lieutenant in the first racially integrated unit of the U.S. Army. During WWII, he was a judge advocate in the Army, where he achieved the rank of lieutenant colonel. The positions he held included chief of the branch of the Office of the Judge Advocate General in Washington, DC., chief of the branch office with the European Theater of Operations in Paris, and chief of the legal division in the War Crimes Branch of the U.S. occupation forces in Germany.

In 1947, William Fratcher joined the faculty at the University of Missouri School of Law. Recognized nationally and internationally for his expertise on trust, property and probate law, William Fratcher's contributions to legal education were great. Among them were his annual lecture on the Nazi war crimes trials at Nuremberg, as well as a fourth edition of "The Law of Trusts," a standard reference for attorneys who plan estates. After his retirement in 1983, William Fratcher returned to the University of Missouri to teach legal history part-time.

In recognition of his commitment, William Fratcher was named an R.B. Price Distinguished Professor of Law in 1971. He was honored as a Professor Emeritus on his retirement.

William Fratcher is survived by his wife Florene and his daughter, Agnes Ann Fratcher. He will be missed and long remembered as an outstanding member of the community and legal profession.

RED BUD, IL, CELEBRATES 125TH  
ANNIVERSARY

HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. COSTELLO. Mr. Speaker, I rise today to bring my colleagues' attention to the city of Red Bud, IL. This year marks the 125th anniversary of this city, which is located in historic Randolph County, the county—where Illinois began—and the county where the State's first capitol was located.

Blossom City, which is the city's nickname, is well kept and clean. The 2,900 residents of the city enjoy an excellent educational system served by quality public and private schools. In fact, the first brick building was a public school, built in 1854. Religion has always filled an important role to the residents of Red Bud and the surrounding community. The area is served by St. John the Baptist Catholic Church, St. John Lutheran Church, First Baptist Church, First Apostolic UPC, Church of Christ, St. Peter United Church of Christ, and Trinity Lutheran Church.

The city of Red Bud has enjoyed a interesting history. The early American settlers established their homes in the prairie region, which became known as Horse Prairie. The reason for this is that bands of wild horses originating from the ponies that roamed earlier French settlements of Cahokia and Kaskaskia, lived

on the prairie grass. The horses were later captured and used on neighboring farms.

In 1820, Preston Brickey built the first log cabin within the current city limits. The first school in Red Bud was established in an abandoned pole cabin in 1824. The first teacher was Samuel Crozier, the father of one of Red Bud's founders. Over the next 40 years, a city quickly developed, constructed largely of brick buildings made from brick and lime kilns and stone quarries located in Red Bud. The city became an important station on the stage coach route between St. Louis, Belleville, Kaskaskia, and Chester.

The three State highways that serve the city of Red Bud meet at its "Square." The railroad that ran through the north side of the city since the 1870's was recently abandoned and the tracks were removed in 1992.

Red Bud has been hit hard by the current recession. The 50-year-old heating and air-conditioning factory, intrinsic to the Red Bud economy, closed down in 1992 and 650 employees lost their jobs. However, a new company, the Material Works, Ltd. has developed from Red Bud Industries, a manufacturer of coil processing equipment, and provides needed jobs and economic security to the city.

The city's hospital, St. Clement, which I have recently visited, has been in existence since 1900. The newest structure is 21 years old and has undergone extensive remodeling during 1992. It and the adjoining MariaCare Nursing Center, are owned by the ASC health system. The hospital is staffed by local physicians and many specialists from the St. Louis metropolitan area.

Today, the business of city government is transacted in the city hall which was built in 1894. It has a council chamber, offices, and a public library. Current city officials take great pride in the historical background of the city they work so hard to represent. Furthermore, the people of Red Bud have shown a strength and determination in the commitment to their city.

I would like for my colleagues to join me in recognizing the city of Red Bud on this momentous occasion of its 125th anniversary celebration

ESTABLISH A CIVILIAN  
TECHNOLOGY CORPORATION [CTC]

HON. GEORGE E. SANGMEISTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. SANGMEISTER. Mr. Speaker, today I am pleased to introduce an economic package that will help develop cutting edge technologies and reposition America as the world's leading economic superpower.

With the cold war and the Gulf war behind us, there is no question that the United States is a military superpower. However, the costs of this achievement have been high and the American people are now suffering through the slowest economic recovery in our history. One need not look at the former Eastern bloc countries and the fall of communism to see that the world has changed. Our own unemployment statistics are proof of that change.

Global power is no longer defined by a nation's military might, where America is so strong, it is defined by economic competitiveness, where we are falling behind.

We have all seen statistics that show America losing its economic clout and industrial base to Japan and Germany. Fortunately, these dismal statistics do not tell the whole story; there is still a great deal of good news. America remains, in absolute terms, the world's largest, richest, and most productive economy. We lead the world in basic research. Unfortunately, we often fail to harvest the potential of that research. The fall of communism means we can greatly reduce the Federal budget share dedicated to defense and use this money to increase economic investment and lower the Federal deficit. The United States enters 1993 with a perfect opportunity to bring government, business, and labor together in a concerted effort to regain our position as the world's economic superpower.

We are all familiar with technologies such as the video cassette recorder [VCR], an American invention that became a foreign product. We invented it, but overseas businesses developed VCR's and put them on store shelves worldwide, creating a billion-dollar industry in which no American manufacture competes. This trend continues with other discoveries such as high-definition television [HDTV]. The Japanese and other countries perfect and market American technologies, while we miss out on opportunities for American business and workers. Today, I am introducing legislation to create a civilian technology corporation [CTC] to end this trend and insure that American inventions become American products which provide high-wage jobs for American people. This bill is modeled after the National Academy of Sciences [NAS] proposal to promote the commercialization of high technology products.

The Civilian Technology Corporation will be an independent body, isolated from the political process, that will identify and invest in discoveries, innovations, and page inventions which are too new for American corporations to gamble on, pre-commercial technologies, or have social value that may not be immediately recognizable. In this way, the CTC will insure that product develop stays in American hands. The CTC will not be involved in basic research but rather will help develop new technologies to prepare them for production. Simply stated, American workers will build new technologies and American businesses will profit.

A one-time investment of \$5 billion dollars would start the CTC. Its board of directors—comprised of private citizens with technical, business, administrative, and economic expertise would choose promising new technologies to support—not politicians in Washington. The CTC would not give money away, it would enter into partnerships with business and industry consortia to bring new ideas out of the laboratories and into our lives. After the initial investment of Government funds, continued funding for the CTC will come from profits and licensing fees for products and ideas the CTC helps develop.

My second proposal refocuses Federal spending on research and development [R&D]. When President Jimmy Carter left of-

fice, almost 60 percent of Federal R&D spending was directed toward civilian programs. President Ronald Reagan's spending page priorities rapidly changed this so that today we spend almost 60 percent of our dollars on defense-related R&D. This trend must be reversed. Keeping America competitive will require developing and manufacturing new consumer products to sell worldwide, not developing new weapons technology to consume more tax dollars. My legislation proposes not only returning the mix of R&D spending to the ratio achieved in the late 1970's but going even further so a full 70 percent of all Federal research and development dollars are directed toward civilian, commercial technologies.

Japan excels in developing and manufacturing products but not in basic research. To eliminate this weakness Japanese businesses are paying American scientists, researchers, and universities to do research for them. NEC Inc., a Japanese electronics firm, has even established the \$32 million NEC Research Institute Inc., in Princeton, NJ. Likewise, the United States excels in basic research but not in developing and manufacturing products. The Civilian Technology Corporation will partner with American private industry to insure America can develop new products and keep American technological innovations at home.

The CTC will prepare the United States for the 21st century. In this globally competitive economy the United States can no longer afford to give away its fledgling technologies to foreign competitors. I urge my colleagues to join me in supporting these proposals to restore America's competitive edge and take back our rightful place as the leader in technology development.

NATURALIZATION SPEECH

HON. LAMAR S. SMITH

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. SMITH of Texas. Mr. Speaker, below is a copy of a speech that Christel M. Taglieri, a constituent of mine from San Antonio, gave at a naturalization ceremony in Texas.

I believe it summarizes what is good about becoming and being an American citizen.

Sometimes we take for granted how blessed we are to live in this great country. I believe this speech serves as a healthy reminder.

(Speech by Christel M. Taglieri)

On behalf of the Bexar County Republican Women and myself, I want to congratulate you, our new United States Citizens. Judge, I want to thank you for asking me to participate in today's ceremony.

As Chairperson for Americanism and Heritage of the Bexar County Republican Women, I have witnessed on numerous occasions the naturalization ceremonies, never thinking, that I would be standing here, addressing a group of new citizens.

On each occasion, I have heard Judge Pimomo ask the new citizens the same question; "How does it feel, to now be an American Citizens".

In most instances, two or three of our newest citizens would come to the microphone, and with much emotion express their joy and pride, that now they could say, "I am an American".

My first thought on coming here to speak to you was: "What am I going to talk about, what should I say to you". The trials and problems you faced, since arriving in the United States, are behind you. Now you can proudly say, "I am an American, I made it".

You see, I know what this day means to you, because I am a naturalized American Citizen. It seems so long ago, about 38 years, when I raised my right hand and swore allegiance to the flag and this great country, the United States of America.

Even though I spoke the English language fluently, I could not quite understand the American way of doing things. I was a graduate of the Humboldt University in Berlin, Germany, but I thought it best to take some courses at the University of California at the Monterey Branch, to study intensively American History and Government. I had chosen this country, I did not want to "Just get along", "I wanted to belong".

All emigrants had different reasons for coming to the United States, and for some, it was most difficult to leave their families and their native country.

But they had one thing in common, they wanted to live in a country where liberty and justice was guaranteed by a government of the people.

Of all the emigrants who entered this country before you, there were some who found it more difficult to adjust than others. Their great expectations could not be fulfilled very fast, because they did not speak the English language, or maybe they had expected too much too fast. They had to learn that, what this great country had to offer could only be reached through hard work and continued education.

They had to keep faith, because every day, they found new obstacles they needed to overcome and master.

This young country was built by emigrants, emigrants just like you and I, emigrants, who were proud of what they had accomplished. Now it becomes your responsibility to carry on, to keep this great country strong and free.

To you, our newest United States Citizens, I pray, that you will continue to learn the customs and traditions of this beautiful land and its people. Be loyal, devoted and cultivate a strong love for this your chosen country.

Finally, I will leave you with these words. Don't think back, when you feel blue, say to yourself:

I am an American, a free American.  
Free to speak without fear,  
Free to worship my own God,±  
Free to stand for what I think is right.  
Free to oppose what I believe is wrong.  
Free to choose those who govern my country.

This heritage of freedom I pledge to uphold and defend for myself and all mankind.

#### HONORING BOB TRAPP

#### HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. RICHARDSON. Mr. Speaker, in this day and age when TV journalists are more interested in their hair than their copy, when radio news has become the latest oxymoron, and when newspapers are more interested in the bottom line rather than the headline, it is certainly refreshing when you come across an in-

dividual who runs a newspaper for the good of the people.

Bob Trapp started the Rio Grande Sun 36 years ago giving Española, NM and the surrounding area a paper it never had. He strives to be fair and never buckles under to the pressures of advertisers or politicians. Many of his hard-hitting stories have cost him dearly in lost advertising revenue. He has also taken on some of the area's biggest elected officials.

Mr. Trapp has spent well more than half his life writing, reporting, publishing, and selling his weekly newspaper. His perseverance, dedication, and excellence are being recognized by his peers. I am pleased to report he was recently honored by the International Society of Weekly Newspaper Editors for his work in community journalism in producing the liveliest, hardest-hitting newspaper.

I urge my colleagues to join me in recognizing and congratulating this outstanding journalist for exceptional public service. I am attaching a recent story from the New Mexican in Santa Fe which profiles Mr. Trapp and his paper.

[From the New Mexican, July 12, 1992]

#### RIO ARRIBA OFFICIALS KEEP FALLING INTO SAME TRAPP

(By Donna Roy)

ESPAÑOLA.—Bob Trapp, editor and publisher of the weekly Rio Grande Sun, has made it his mission to monitor public officials, especially Rio Arriba County political boss Emilio Naranjo, and hold them accountable for their actions.

It has not made him popular, only respected.

Trapp has been accused of being too critical of the Española Valley, where he's lived and raised a family and put out his paper for the past 36 years.

Trapp's detractors say he constantly portrays Española in a negative light, focusing on the bad and never the good.

But this weekend in Colorado Springs, Colo., Trapp was recognized by the International Society of Weekly Newspaper Editors for his work in community journalism in producing "the liveliest, hardest-hitting" newspaper.

Robert Estabrook, editor and publisher emeritus of the Lakeville (Conn.) Journal, said Trapp was selected for "standing up against pressures of politicians and advertisers to pull his punches."

"Trapp has consistently put his principles before his newspaper's profits," Estabrook said.

Former Santa Fe Reporter editor Richard McCord, who nominated Trapp for the award, said the Rio Grande Sun has been a demonstration of the vigilance the press must have to ensure good government.

Trapp, a silver-haired, 60-something man who chuckles when you ask him his age, said in an interview in his cluttered office that his objectives when he started the Rio Grande Sun in 1956 remain in place today; to be fair and to put out the best newspaper possible, free from interference from local advertisers and politicians.

"I've always believed it's the newspaper's duty to point out things and tell the readers what's going on, and then it's up to them to do something about it," Trapp said.

"If you knuckle under to advertisers, you're going to be putting out a business brochure rather than a newspaper," he said.

Trapp became interested in newspapers at an early age and published his first news-

paper when he was in the seventh grade in La Jara, Colo.

"It was handwritten. I would send my brother around the neighborhood selling it for a nickel. One time, he came home madder than heck. This one guy took the paper, read both sides of it and said he wasn't interested," he recalled.

Trapp's first newspaper job was in 1950 at the Alamosa (Colo.) Daily Courier as a sports editor, for \$10 a week. After that he went to work for a five-day daily newspaper in North Carolina as a city reporter.

He next joined a newspaper in Rock Springs, Wyo., where he met his wife, Ruth. The newspaper did not encourage hard news coverage, but Trapp managed to slip in a few stories to "raise hell." A couple years later the Trapps moved to Great Falls, Mont., where they met Bill Burkett and his wife, Holly.

Eventually, they would hear about the Espanola Valley. They arranged a vacation to Espanola and talked to some of the businessmen to see if they were willing to put up money to start a newspaper.

The Trapps and Burketts each put up \$7,600 of their own money to match the businessmen's investments.

Five thousand copies of a broadsheet paper were printed to mark the Rio Grande Sun's debut in October 1956. The 16-page paper soon was cut back to eight pages for the first few years of its existence.

The paper was sold on the street for 7 cents a copy. Trapp paid local children 2 cents for every paper they sold. Today, children and adults line up outside the Rio Grande Sun office on North Railroad Avenue every Wednesday to pick up their bundles of newspapers. The price has increased to 30 cents and the sellers may keep 12 cents plus any tips they make.

"It never occurred to us when we started selling it on the street that it would become what it is today. For some families, it's big business. Some of them make \$100," Trapp said.

More than half of the 10,800 papers printed each week are sold on the street Wednesday evenings.

The first newspaper office was located on Onate Street. The building has been torn down and replaced with a parking lot.

In the beginning, Bob and Ruth Trapp handled all of the reporting and photography. The Rio Grande Sun was typeset on a linotype and printed on a letterpress—ancient machines by today's standards.

Trapp hired his first reporter in the late 1960s. He now has a staff of three or four reporters to cover the Española area and another to cover Chama.

"We felt that that area, so close to the county seat, was being neglected," Trapp said.

The first 10 years of the paper's existence were lean ones for the Trapps. "We cut our salaries back from \$100 to \$85 a week so our help's checks wouldn't bounce. Probably, a smarter person would have closed (the paper) down, but I was too stupid," he said with a chuckle.

Espanola began to grow as a city. More businesses were moving into town and advertising and the newspaper began to pick up, he said.

One of the first events covered in the Rio Grande Sun was the expansion of Riverside Drive from two lanes to four. At that time, the area was not part of the city.

Another was an unsuccessful attempt by local businessmen to move the Rio Arriba County seat from Tierra Amarilla to Espanola.

Years later, Trapp would cover the now famous Tierra Amarilla raid. "Rio Arriba County is the only place where you can shoot a state police officer, shoot up the courthouse and not go to jail," he said.

When Trapp first started the newspaper, Emilio Naranjo was not the political powerhouse he is today because the Republicans were largely in control.

Naranjo worked for the state Motor Vehicle Department and sold insurance. He didn't run for office until he was appointed to replace Matias Chacon as county Democratic chairman.

As a reporter, Trapp had many encounters with Naranjo, whom he playfully calls "Our Leader" in his editorials. He remembers Democratic county conventions where Naranjo would introduce him to the crowd as his cuate or pal.

"We've been on opposite sides since I saw what was going on," said Trapp. "Among other things, there were county commissioners paying themselves \$800 a month in per diem to inspect county roads. These were people that were holding down full-time jobs. We put a stop to that, but it was that type of thing," Trapp said.

"A lot of money was being wasted. Roads weren't being fixed if the precincts in that area didn't vote the right way," he said.

Jim Danneskiold, a former Rio Grande Sun reporter and editor now working at Los Alamos National Laboratory in public affairs, described Trapp as tough-minded and fair and an old-fashioned, 19th century-type journalist.

"He religiously holds to the maxim that a newspaper's duty is to print the truth and raise hell. He believes in the role of the newspaper as the eyes and ears of the public. It's a crucial independent member of the community," Danneskiold said.

Santa Fe lawyer Carlos Vigil, who was raised in Espanola and still lives there, sees Trapp in a different light. As a journalist, Trapp has been courageous, Vigil said, but he needs to present more positive stories about Espanola.

"He's taken on some big people and I think that's important," Vigil said. "I just wish he was a lot more positive and give credit where credit is due. We've had a lot of kids that do really well and there's little or no mention of those things."

Danneskiold said that while Trapp does focus on crime and corruption, he also does little things that serve the community. He sponsors students to local spelling bees, publishes photos of students who have excelled and even First Baby of the Year photos.

"He gives people a window, not just to politics and corruption, but to the human side of the community," said Danneskiold.

Trapp has enjoyed the challenge of covering news in Rio Arriba County. "Some people say they buy the paper to read the gossip, others like it for its political stand," he said. "We might be perceived as controversial, but I'd rather be controversial than bland."

#### INTRODUCTION OF LEGISLATION ALLOWING TAX-FREE, NEED-BASED SCHOLARSHIPS

**HON. BRIAN J. DONNELLY**

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. DONNELLY. Mr. Speaker, I am introducing legislation today to allow individuals to

receive need-based scholarships free from income tax. At a time when everyone agrees that America needs a more educated work force, the importance of this legislation cannot be overstated.

This problem came to my attention when I received a letter from a constituent in Whitman, MA. Her children deliver the Boston Globe; the Globe awards \$5,000 scholarships to prospective college students who deliver the newspaper.

The problem is that these scholarships are taxable to the students who receive them. As my constituent accurately pointed out in her letter: "Since the \$5,000 will go directly to the universities, we will have a substantial tax liability for 1992 and will not have the cash available to pay it."

Mr. Speaker, the Boston Globe's program is a noble effort to encourage students to work hard and attend college. It is fundamentally wrong for the government to tax hard-working students who want to earn money to go to college, and it's wrong to tax their parents who have to scrimp and save to put money aside for their children to go to college. My legislation will provide a small measure of relief to the middle class.

I urge the Committee on Ways and Means to act quickly to pass this legislation. A technical description of my legislation follows:

#### TECHNICAL DESCRIPTION OF LEGISLATION ALLOWING TAX-FREE TREATMENT OF NEED-BASED SCHOLARSHIPS

##### *Present law*

Section 117 of the Internal Revenue Code excludes from gross income any qualified scholarship received by a student who is a candidate for a degree at an educational organization. Amounts received as scholarship must be used for tuition and related expenses.

The exclusion does not apply if the amount received represent payments for teaching, research, or other services by the student as a condition of receiving the qualified scholarship. Treasury regulations interpreting this provision state that scholarships represent payment for services "when the grantor requires the recipient to perform services in return for the granting of the scholarship" (Treas. Regs. 1.117-6(d)(2)). Thus, if an employer requires an employee to perform employment-type services as a condition of receiving the scholarship, the scholarship is not excludable from income.

##### *Explanation of proposal*

Under the bill, scholarships received which represent payments for services provided for the grantor by the grantee of a scholarship would be excludable from gross income under section 117 if (1) the amount of the scholarship does not exceed \$5,000 in any calendar year and (2) the adjusted gross income of the recipient is less than \$50,000 for the taxable year.

##### *Effective date*

The provision would be effective for taxable years beginning after December 31, 1992.

#### CAPTIVE NATIONS WEEK 1992

**HON. ROBERT H. MICHEL**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. MICHEL. Mr. Speaker, I am honored to be able to join with our colleagues in commemorating Captive Nations Week.

Since President Eisenhower first proclaimed such an event in 1959, I have been an enthusiastic supporter of and participant in Captive Nations Week. During the height of the cold war, it was always a good thing to be reminded, at least once a year, of what was at stake in our battle with communism. Captive Nations Week provided us with a chance to publicly state our beliefs about the suffering of so many millions of people who were enslaved by various forms of communism.

Now that the cold war is over, such a commemoration may seem to be an anachronism. After all, the Soviet Union no longer exists. The former captive nations of Eastern Europe are free. The West, in the great twilight struggle, emerged victorious. Why should we continue to participate in such an event?

For one thing, there are still well over a billion human beings still enslaved by communism, in China and Cuba and North Korea. We should not forget their suffering. And, at the same time, we should use this occasion to offer thanksgiving for what has happened over the past 4 or 5 years. In a series of events unparalleled in history, a totalitarian superpower crumbled before the forces of freedom in what amounted to a near bloodless uprising, the nations it has so long ruled—and nearly ruined—had regained their independence and freedom, the Berlin Wall fell, and for the first time in two generations, the people of Eastern Europe could truthfully say they were no longer captive.

This is, as I said, one of the great, triumphant moments in history. And yet, in that curious way that so often characterizes our modern world, in which the collective attention span is not very long, this magnificent accomplishment is taken for granted by many Americans. There is an ho-hum attitude, as if the end of the Soviet Union and freedom for Eastern Europe were preordained and, as they say, inevitable.

But these great events didn't just happen. They were caused because the people of the West sacrificed, because the United States of America provided leadership, because at very turn the imperial appetites of the Soviet Union were either thwarted or at least contained over two generations. Had we not acted with fortitude and courage and patience, the Soviet Union could well have succeeded in its quest for domination.

And so, when we commemorate Captive Nations Week, 1992, we do more than remind the Nation—and ourselves—that there are human beings still enslaved by communism. We also formally congratulate the American people for the great achievement of having defeated Soviet communism, one of the great accomplishments in the entire history of human freedom. It was not an easy victory and it was a costly one, in terms of lives lost and money spent. But can anyone deny that

the sacrifices were needed? Can anyone deny that given the nature of the Soviet Union and its militant totalitarian Marxist-Leninist philosophy, the very survival of the West was at stake throughout the struggle?

I am proud to join with our colleagues in commemorating Captive Nations Week, and I urge all Americans just to take some time this week to think of what has happened—and of what could have happened had not the people of the United States had the backbone and the will to stand up for human freedom. I only wish so many of us wouldn't take all of this for granted.

#### GOVERNOR CLINTON'S ECONOMIC PROGRAM

**HON. WILLIS D. GRADISON, JR.**

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. GRADISON. Mr. Speaker, since their nomination in New York at the Democratic National Convention, Governor Clinton and Senator GORE have leveled a good deal of economic criticism at the Bush administration. For all the flowing rhetoric and oratorical grace heard by the country during the convention last week, we know that elections are not decided merely on the basis of one candidate's speech. After New York, the American people must ask themselves whether Governor Clinton would improve the performance of the economy and whether he would reduce the Federal budget deficit.

From an analysis of the Clinton economic program, the answers appear to be "no" to the former, and "not much" to the latter. Reprinted following my remarks is an essay written by Beryl Sprinkel, former Under Secretary of the Treasury and chairman of the Council of Economic Advisers, in the July 15, 1992, edition of the *Christian Science Monitor*. In his essay, Dr. Sprinkel examines carefully the latest in a series of Clinton plans to improve the economy. He concludes that the package is little more than a call to arms in defense of bigger Government and higher taxes. In my judgment, the Clinton plan would only result in economic stagnation and produce another recession.

[From the *Christian Science Monitor*, July 15, 1992]

CLINTONOMICS: A LOSER  
(By Beryl W. Sprinkel)

Gov. Bill Clinton has revised substantially his economic-policy plan, dropping out about half of his middle-class tax cut and projecting a decline in the fiscal deficit to \$141 billion by '96, only \$40 billion less than presently projected by the Congressional Budget Office under current law. Projected spending and tax changes reduce the deficit only \$15 billion over the next four years, and increased growth apparently accounts for the remaining \$127 billion deficit cut.

So a critical question is: Will the revised plan spur growth? The answer is, certainly not, since the plan will in fact reduce incentives and deter growth.

In essence, the new plan includes higher tax rates, higher federal spending, a substantial increase in mandated benefits to be paid by employers, increased regulation of the

health-care industry, and support for a thinly veiled industrial policy designed to pick winners and shun losers. I conclude the governor's plan will discourage growth since markets respond to disincentives as well as incentives.

The only evident stimulant to growth includes a "targeted investment credit" and a "50 percent tax exclusion to those who take risk by making long-term investments in new businesses." In both cases, the modifiers suggest selective rather than general application of the stimulants.

Mr. Clinton proposes creating a new, fourth income tax rate of 35 percent or 36 percent, sharply above the present top rate of 31 percent. He proposes a populist "millionaires surtax" and an unspecified increase in the alternative minimum tax, higher taxes on Social Security benefits, and higher Medicare taxes. The tax increases are justified by Clinton as "making the wealthiest Americans pay their fair share in taxes."

That specious justification ignores the fact that from 1981-88, the share of federal individual income taxes paid by the top 1 percent rose from 17.9 percent in '81 to 27.6 in '88, and the share paid by the top 5 percent rose from 35.1 percent to 45.5 percent while the share paid by middle and lower income groups declined.

He also ignores the results of two recent studies by the United States Treasury and the Urban Institute which refute his contention that the rich have become richer and the poor have become poorer. Clearly the proposed tax increases will adversely affect private savings and investments, encourage tax avoidance, and discourage risk-taking by those subjected to higher rates.

Clinton also proposes increased taxes on American companies that invest abroad and foreign companies that invest here. Those taxes would discourage international investment and would be especially damaging to the U.S. since domestic savings are lower than domestic investment, thereby increasing our dependence on investment flows from abroad. Thus there would be less growth in productivity and real wages, thereby lowering the living standards of U.S. workers.

Rather than concentrating on increasing private savings and investment as a sure-fire stimulant to growth, Clinton focuses on massive increases in federal spending while ignoring the fact that presently federal spending as a percent of gross domestic product is at a high of about 25 percent. He calls for \$200 billion in new federal spending on infrastructure and public works, a huge new national police force, \$22 billion in new Head Start spending, \$40 billion for higher education, and \$4.9 billion in adult literacy programs. There are few substantial cuts other than defense.

Sharply higher federal spending not only pulls resources from the productive private sector, but also assures that high taxes are here to stay. High taxes and more government discourages growth by retarding private savings and investment.

Not too surprisingly, Clinton was unable to resist the trend evident in this period of large deficits to increase mandated employer benefits, thereby increasing production costs and discouraging private-sector jobs while making U.S. producers less competitive.

He would "require every employer to spend 1.5 percent of payroll for continuing education and training and make them provide training to all workers, not just executives." The governor would sign into law the Family and Medical Leave Act which provides for 12 weeks of unpaid leave for a newborn baby or

sick family member. Finally, he would provide "guaranteed universal access—through employer or public programs—to basic medical coverage."

Clinton does not use the phrase "industrial policy," but he does propose creating "a civilian research and development agency to bring together business and universities to develop cutting-edge products and technologies." The lure of potential profits aided by tax benefits now provide incentives for productive R&D expenditures, but he clearly envisages an expanded role for government.

Although he espouses freer trade, an important generator of growth, he proposes to pass "a stronger, sharper Super 301 trade bill" which would inevitably increase the probability of retaliatory trade action by our trading partners.

In conclusion, I find it difficult to believe that Clinton is serious when he writes, "I believe in free enterprise and the power of market forces. I know economic growth will be the best jobs program we'll ever have." He then proceeds to espouse a program that would inhibit private-sector growth.

It is ironic that as most countries around the world have concluded that large governments inhibit prosperity, Clinton believes that a larger government and higher taxes are the keys to more jobs and higher incomes at home.

#### SALUTE TO THE NAVARRO FAMILY

**HON. ELTON GALLEGLY**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. GALLEGLY. Mr. Speaker, I rise today to honor a family that truly reflects what family values are all about in our Great Nation, the Navarros of Port Hueneme, CA.

Phillip and Mary Navarro and their four children were recently included in the 10 regional winners in the National Hispanic American Family of the Year competition. This honor was based on the steps they have taken to advance Hispanic-Americans, including family unity, teamwork, cultural pride, and community service.

Phillip Navarro is a community outreach worker with the Ventura County Commission on Human Concerns, and as such he works countless hours—many on his own time—to ensure that low-income residents of Ventura County receive the benefits they are entitled to. But that's just for starters.

Mary Navarro volunteers her time to seek out the poor and homeless in order to help them find assistance. And both Phillip and Mary have worked hard to instill their values in their children. Their son, Jerry, speaks at anti-drug rallies and Jerry, his sister, Diana, and Phillip together perform musically at two Catholic churches. Phillip and Mary's other two children, Mark and Elizabeth, accompany their father several days a week while he delivers day-old bread donated by an Oxnard bakery to families in need.

The Navarros received their values from their parents, and are trying their best to pass those values along. As Phillip Navarro told the Ventura Star-Free Press:

In our house, it was always the normal thing to give rather than receive. And

whether you believe in scripture or not, it is true that if you give enough you wind up getting without even asking. Here, we're trying to plant that positive seed.

Mr. Speaker, today more than ever, America needs families like the Navarros, and the values they represent. I ask my colleagues to join me in saluting them for their selflessness and their generosity, and for the honor they have so deservedly earned.

TRIBUTE TO SISTER JANET SMITH

HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. COSTELLO. Mr. Speaker, I rise today and ask my colleagues to join me in congratulating Sister Janet Smith, a member of the Adorers of the Blood of Christ. Their provincial house is located in Ruma, IL. On July 1, 1967, Sister Janet accepted her final religious vows. This year marks the 25th anniversary of this momentous occasion.

Sister Janet Smith is currently the nursing supervisor of home care in Tucson, AZ. She has been serving her retired sisters there since March 1990. During her 25 years of service to God, she has worked closely with the Hospice Program in East St. Louis and has also spent 2 years in an established clinic in Liberia.

Sister Janet is an accomplished pianist and flutist and finds hours of joy from her love of music. Her fellow sisters describe her as a fun loving person who fully enjoys life. She is also very serious about her work as a nurse and her service to the Lord.

I would like for my colleagues to recognize Sister Janet Smith's dedication and service to the Adorers of the Blood of Christ and join me as I applaud her for her lifelong commitment.

PROCLAIMING AMERICAN UNITY MONTH

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. FASCELL. Mr. Speaker, in light of riots that have recently taken place in major cities such as Los Angeles and New York, and remembering past strife in my own city of Miami, some kind-hearted determined citizens have banded together to work to attempt to lessen the pain, the misunderstandings, and the misconceptions that are present in our society. One of these groups, Miami Loving Miami, was founded in November 1990 by Walter Sutton, Jr., a former police officer. This multi-ethnic grassroots unity organization strives every day to offer platforms for the diverse community of Miami to interact positively.

I feel strongly that the only way a truly harmonious, color-blind, prejudice-free Nation will exist is if all people, in all parts of our vast country work together to understand and celebrate the beautiful differences and splendid uniqueness of all of the residents of the United

States, who represent virtually every race, religion, and culture present on this Earth.

Therefore, July, our Nation's birthday, as well as the birthday of the city of Miami, is a proper month to celebrate as "American Unity Month", to encourage all Americans to revel in the similarities, and more importantly, to fully appreciate, understand, and respect the differences among themselves and their neighbors, their peers, and their fellow countrymen.

Accordingly, I respectfully request all our colleagues to join in proclaiming the month of July as "American Unity Month."

TRIBUTE TO LOUIS G. SARRIS

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mrs. MORELLA. Mr. Speaker, I am very pleased to rise today to honor a constituent, Mr. Louis G. Sarris of Bethesda, MD, whose career demonstrates an exemplary record of commitment to our Nation through his many years of civil service.

Mr. Sarris is a decorated veteran of the United States armed forces for individual actions behind enemy lines near the close of World War II. Soon after serving in our military, Mr. Sarris worked for Congress on the staff of Senator Matthew Neely while completing doctorate work in Middle Eastern studies.

After joining the State Department in 1951, Mr. Sarris continued to serve the community at large through numerous works in addition to his full-time position. He lectured at the council on Foreign Relations, the Sino-Soviet Institute, and the National War College, and served on the faculties of the University of Maryland and Montgomery College. In addition to being published in numerous journals, Mr. Sarris was a contributing author of "Arms and the Africans: Military Influences on Africa's International Relations."

It is with great pleasure that I pay tribute to the contributions which Mr. Sarris has made to our Nation. On behalf of the citizens of the Eighth Congressional District of Maryland, I offer my sincere gratitude and best wishes in all his future endeavors.

OPEN LETTER TO INTERNATIONAL ELECTION OBSERVERS OF THE CROATIAN ELECTIONS

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. TRAFICANT. Mr. Speaker, I am submitting for this Congress' consideration the following open letter from the opposition parties in Croatia regarding international observation of the August 2, 1992, elections in Croatia.

OPEN LETTER TO INTERNATIONAL ELECTION OBSERVERS

On August 2, 1992, presidential and parliamentary elections will be held in Croatia. There are many signs which show that, in mildest terms, these elections will be irregular. The following are some examples:

that the Republic of Croatia is at war, attacked by aggressor Serbia;

that 40% of the Republic's territory is occupied, making these elections incomplete; that there are some 800 refugees, i.e. people no longer located in their places of residency, many of whom are not registered to vote anywhere, nor know where to vote;

that no lists of registered voters exists meaning that no one knows how large the voting public is;

that a significant number of its citizens are on the frontlines of the Republic—citizens who cannot leave the front to vote—nor are they soldiers in barracks who might possibly vote there;

that elections are being held in summertime—when in peace it is a season of greater migration due to holidays, leave and vacations—let alone now during a time of war when this is magnified many times over;

that the ruling regime is not allowing radio stations to follow the election campaign at all which has been affirmed by an official circular sent to all city radio affiliate stations by management;

that the ruling regime is abusing minors by using them in its propaganda so as to maintain political control (for example, the Croatian t.v. show "Dobro mi dosel prijatelj");

and a long list of other signs which shall be provided at a later date.

Therefore, by way of this letter, we ask that you send to Croatia observers of your institutions and organizations in as many numbers as possible and that you assist in other ways, so that the aforementioned elections take place without abuse or with as little abuse of same as possible. The citizens and people of the Republic of Croatia will know how to value your support by establishing democracy in this part of Europe which has always been an integral part of the West.

Zagreb, July 8, 1992.

Respectfully yours,

MARKO VESELICA,

President,

Croatian Democratic Party.

JADRAN VILOVIC,

Secretary,

Socialist Party of Croatia.

DOBROSLAV PARAGA,

President,

Croatian Party of Rights.

IVAN CESAR,

President,

Croatian Christian Democratic Party.

TRIBUTE TO BRIAN MICHAEL KATULIS

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. GEKAS. Mr. Speaker, I rise today to pay tribute to Brian Michael Katulis, of Harrisburg, PA, who has been chosen to receive a 1992 Public Service Scholarship presented by the Public Employees Roundtable. Brian is one of only ten students from across the Nation to receive this prestigious scholarship.

Brian is an outstanding student at Villanova University in Philadelphia, PA, where he is studying political science, Arabic, and business administration. In his essay "Why I Have Chosen a Public Service Career," Brian demonstrates admirably why he is so deserving of

this public service scholarship. A dedication to public service at such a young age is commendable and inspiring to others.

Mr. Speaker, I insert Brian's essay with these remarks so all may see a glimpse of what is good about America:

ESSAY BY BRIAN MICHAEL KATULIS

Since my sophomore year in high school, I have spent much of my time serving others. As the president of my graduating class, I led my classmates in efforts which benefited others. For example, when the son of a teacher was afflicted with cancer, our class began a program to raise funds in order to help the family's financial situation. Upon my arrival at Villanova University, I committed myself to helping others. I believed that since I was fortunate enough to have the opportunity to attend a university, I had the obligation to serve others in some way. I became involved with Project Sunshine, a social action program at Villanova University. In this program, I tutored elementary level school children and visited the elderly in a county home for the aging. Project Sunshine helped me see the world through the eyes of both the young and old. Also, I participated in Villanova's Committee for the Homeless. On several Sunday evenings I went into Philadelphia to distribute food and talk with homeless people. The conversations that I had with these people were enlightening, for they taught me that their misfortunes can happen to anyone. While being personally fulfilling, my experiences in high school and college have led me toward the path of public service.

I believe that a career in public service will be an exciting career to have in the coming decades. With the recent changes in the world, government must reorganize to meet the changing needs of our country. The challenge that will come with changing the structure of government will be great, and I would like to play an important role in helping to ensure that the federal government still effectively serves the people of the United States. I would like my career to be more than merely a means of making a living, for I want to make a significant contribution to a society that has helped me achieve the goals that I have set for myself. Without the financial assistance provided by the government and private foundations, I would not have had the educational opportunities that shaped and influenced my life. Without the service of others in the military during times of war, I might not have the same freedoms and rights that I now possess. Because of the service of others, I live in the best country in the world, the country which offers the most opportunities. I would consider it an honor to serve the public in my career.

Also, I have chosen a public service career because I want to help change the perceptions that many Americans have about their own government. I grew up in an age where public officials are ridiculed and no longer admired due to the lack of integrity on the part of a small minority of public officials. In my career, I want to help restore the faith that people once had in their government through leading by example and encouraging stricter penalties for those who abuse their public office. Serving others is a privilege as well as an honor, and rectitude and honesty are two requisite qualities for people in public service to possess.

Finally, I have chosen a public service career because I believe that it is the most personally rewarding career that I can choose. The pride that comes from knowing that I work for the largest organization in the

world and that I am serving others outweighs any financial rewards that might come from working in private industry. My idea of a successful life is one in which a person makes a contribution that changes the world for the better in some way. I believe that choosing a public service career is the best way for me to help make the future brighter for our world.

#### TRIBUTE TO LT. ELAINE M. HOGG

##### HON. BOB MCEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. MCEWEN. Mr. Speaker, Lt. Elaine M. Hogg, U.S. Navy, has completed her tour of duty as liaison officer at the Department of the Navy's Congressional Liaison Office, U.S. House of Representatives. I would like to take this opportunity to recognize her superlative accomplishments.

Hailing from Long Island, NY, Elaine was selected for this sensitive position based on her exemplary record as a naval aviator. As a CH-46 Sea Knight helicopter pilot, serving aboard the U.S.S. *Butte*, U.S.S. *Concord*, U.S.S. *Mount Baker*, U.S.S. *Saturn*, she transferred by vertical replenishment literally thousands of tons of critical supplies to deployed ships. She never lost her calm even while transferring pallets of supplies to ships navigating in rough seas during the night.

During her tenure as liaison officer, she proved to be instrumental in planning and flawlessly executing numerous congressional delegations which observed naval operations around the world. Elaine has been a vital link in maintaining the flow of information between the Navy and Congress. She promptly resolved thousands of sensitive congressional inquiries. Elaine could always be counted on no matter how complex the task.

Elaine is respected for both her knowledge and honesty by my colleagues on both sides of the aisle. I know that they, as well as I, wish her "fair winds and following seas".

#### TRIBUTE TO THE REVEREND L. MARING SWART

##### HON. AMO HOUGHTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. HOUGHTON. Mr. Speaker, this month marks the 55th anniversary of the ordination of Rev. L. Maring Swart, a constituent of mine. During his service he was active in the USO during World War II and subsequently served as the chaplain for the Jamestown, NY, Police Department. For the past 7 years he has been the pastor of the Ellington Congregational Church in Ellington, NY.

Winston Churchill once said, "We make a living by what we get, but we make a life by what we give." Reverend Swart's life has been rich in giving.

I am honored to take this opportunity just to thank Father Swart for his commitment and his tireless work for this community and its Christians.

#### TRIBUTE TO SWAINE CHEN

##### HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. COSTELLO. Mr. Speaker, I rise today in recognition of Swaine Chen, a high school student in my district who has been chosen to represent our country in the 24th International Chemistry Olympiad. Swaine, along with four other U.S. students and over 120 students from other countries, will travel next week to Pittsburgh and Washington, DC, for these ceremonies sponsored by the American Chemical Society.

This event is being held to recognize the achievement of outstanding chemistry students throughout the world and to continue stimulating the interest of these students in the area of chemistry. I am pleased that such an event is being sponsored.

As our society becomes more technologically advanced, the need for those trained in the sciences will be critical to our national growth. There are many accredited chemistry programs at both the undergraduate and graduate level in the United States for students wishing to further their education in this area. Advanced education in chemistry can lead to a career in medicine, scientific research, engineering or education—each of these important job fields.

I recognize Swaine's achievement in chemistry, and I ask my colleagues to join me in saluting Swaine for this outstanding achievement.

#### SALUTE TO MSRC

##### HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. GALLEGLY. Mr. Speaker, I rise today to inform the House of the recent dedication of the Marine Spill Response Corp. [MSRC] in Port Hueneme, CA.

As many of my colleagues know, the MSRC facilities in Port Hueneme and other parts of the country are designed to respond quickly to contain and clean up major oilspills along our coasts. I am especially pleased that the Port Hueneme center is the first of the five facilities which ultimately are designed to handle such catastrophic spills as the one caused by the *Exxon Valdez* accident three years ago.

The MSRC was organized in August 1990 to provide new capability for response to catastrophic oilspills in U.S. coastal and tidal waters. This new capability will help owners and operators of oil tankers, offshore platforms, and onshore terminals meet the requirements for response capability that were included in the Oil Pollution Act of 1990.

The Port Hueneme center, which was dedicated earlier this month, will respond to incidents in California and Hawaii, and will be the largest single private source of oilspill response equipment in California. Once fully operational next year, the facility will be able to respond with vessels, barges, oil contain-

ment booms, and skimmers. In addition, the center will serve as a spill response communications and command post in the event of a spill, and also as a site for research and development activities.

Mr. Speaker, I ask my colleagues to join me in saluting the dedication of the Marine Spill Response Corp.'s Port Hueneme center. We all hope that the center's skills are never needed, but it is reassuring to know that the center is there and ready to help in the event of an emergency.

#### REAUTHORIZATION OF THE COMPETITIVENESS POLICY COUNCIL

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. LaFALCE. Mr. Speaker, today I am introducing legislation to reauthorize the Competitiveness Policy Council for 4 more years. The Council is a small investment, which, I believe, is a crucial first step toward a much-needed competitiveness policy in this country.

I first introduced the bill to create such a Council in May of 1985, and it was enacted as part of the 1988 Trade Act. Earlier this year, the Council issued its first annual report, which received widespread attention in policy circles, and in the press, with its call for the United States to adopt a serious national competitiveness strategy—a new set of policies that will make a fundamental change in America's competitive position.

I cannot overemphasize the importance of the Council as an element of competitiveness policy. Over the past few years, a consensus has emerged in this country, in both the public and private sectors and in academia, that we need a competitiveness strategy. We need a competitiveness strategy because we are rapidly losing ground in international markets to those countries which have competitiveness strategies, such as Japan and Germany.

The Competitiveness Policy Council is the only mechanism that our Government has—the only mechanism—to bring together groups from industry, labor, Government, and academia to study ways to improve American competitiveness. Furthermore, it is the only mechanism that exists to take a systematic, Governmentwide approach to identifying profitable areas for Government-industry partnerships. There are Defense Department programs and National Science Foundation programs and Commerce Department programs to foster such collaboration within their areas of operation, but no Governmentwide approach currently exists. This is the purpose of this Council.

I think it is important to recognize that Government-industry collaboration is not a completely new and untested idea in this country. The truth is that we have had such partnerships for many decades now, some of which have been crucial in the development of key industries. For instance, the Federal and State governments have funded between one-half and three-quarters of all agricultural research and development [R&D] over the past 50 years, during which time productivity has

grown faster in agriculture than in any other broadly-defined sector of the economy. Before the early 1950's the Government funded all significant aspects of computer research and development and thereby laid the foundation for emergence of the computer industry.

Similarly, two of the most important advances in the semiconductor industry—the silicon transistor and the integrated circuit—were developed by private industry with the Government envisioned as the first large customer. In the aircraft industry, the military financed development of the first U.S. jet engine as well as R&D which led to fundamental advances in propulsion and airframe design.

Mr. Speaker, I think the historical record is quite clear—Government-industry partnerships can play a central role in fostering technological advance and improving American competitiveness. This country needs a mechanism for identifying profitable areas for such partnerships. The Competitiveness Policy Council can fill that role.

To provide some idea of the careful and thoughtful work that the Council has undertaken, I wish to submit for the RECORD an excerpt from the Council's first annual report:

##### FRAMEWORK FOR ACTION

As the Council submits this report in early 1992, concerns over fundamental aspects of the nation's competitiveness fuse with the need for the earliest possible recovery from recession. The positive aspect of this fusion is that the difficulties of the present reinforce awareness of our more basic problems. The risk is that efforts to boost growth in the short term could ignore and even exacerbate the basic difficulties.

The Council believes that the right strategy at present is to devise a program to address the underlying weaknesses in the economy in ways that could also promote short-term recovery. For example, an acceleration of government spending on needed infrastructure projects would have desirable effects both immediately and over time.

But the emphasis must be on righting the basics. Problems with the country's underlying competitiveness have limited our short-term options and will continue to constrain them until fundamental reforms have taken hold. Conversely, the most likely return to prosperity lies in addressing these structural problems and thus restoring confidence in the long-run prospects for America. The Council believes that the time has come to seek far-reaching reforms that would effectively come to grips with the deep, abiding problems identified above.

Our strategy in this report is to identify, and briefly elaborate, reforms in several areas that might generate such improvements over time. The Council is not yet ready to make firm recommendations for such a program but believes that actions of the type described, and the problems they seek to correct, should be focal points of national inquiry and debate during the coming year. Public officials and candidates for all officers should address them. The public, which often exhibits a keen awareness of the problem, should insist that they do so. This is the only process through which fundamental change can emerge.

##### TOWARD A NATIONAL COMPETITIVENESS STRATEGY

In each of the six areas to which we have addressed priority attention, the Council believes that efforts should be made to devise new policies that will make a fundamental

change in America's competitive position. In this section, we offer illustrations of the kinds of reforms that we have in mind. The Council is not endorsing any of these steps at this time, having had inadequate time to explore their likely effectiveness and their full ramifications for the country. We believe, however, that these ideas, and others that pursue the same goals, should be seriously considered. The Council itself will be developing and testing such ideas preparatory to issuing firm recommendations in its next report. We urge other interested groups and individuals to do so as well.

In each area, national goals—such as those suggested in our prior discussion of the problems—should be set, against which subsequent performance can be gauged. We want a results-oriented strategy against whose criteria government, business, unions, educational and other institutions can be held accountable. In light of the sweeping scale, novelty and even experimental nature of some of these ideas, constant evaluation of their progress would be needed and should be built into the reforms themselves.

##### SAVING AND INVESTMENT

The most obvious initiative to enhance saving and investment would be conversion of the budget deficit of the Federal Government into balance or preferably surplus. The deficit drains more than half our private saving and drives up interest rates. It pushes us deeper into debt both at home and abroad. It raises serious doubts as to whether the country will ever put its house in order.

A surplus, by contrast, would make a net contribution to national saving. It would also provide a prudent foundation for the increases in pension and medical payments to our older citizens that will become inevitable as the population ages early in the next century. An overall budget surplus would in essence permit the surpluses in the Social Security and other trust funds to become genuine national saving rather than financing the rest of the government budget. It would provide a cushion against future economic difficulties.

Converting the deficit into a surplus will require an intensive review of all major spending programs. If adequate spending cuts cannot be found, it may be necessary at some future point to increase revenues. The sum of these improvements will have to exceed the present deficit because additional spending will be needed on some programs, such as public infrastructure, to promote US competitiveness.

In order to further enhance saving, it might be necessary to change the structure of US tax policy in ways that would eliminate, or even reverse, the perverse incentives in the present code. The most extreme option would be to substitute consumption-based taxes for all or some of our present income-based taxes. The effect would be to exempt all saving from taxation. The result should be a substantial rise in saving that would produce a sharp fall in the cost of capital. A less sweeping way to stimulate private saving would be to exempt all interest and dividend earnings from taxation, as Japan did until 1988 with its *maruyu* system that enabled each citizen to hold multiple tax-free savings accounts and invest in tax-free bonds.

Saving could also be encouraged indirectly through tax changes that would discourage consumption. Alternatives could include a value-added tax (VAT), as utilized in virtually every other major country; a national sales tax; limitation of the tax preference for interest paid on home mortgages that now

applies up to \$1 million; or other sector-specific approaches. These could replace some portion of today's income-based taxes or be adopted, instead of other types of taxes, to raise additional revenues as part of the essential effort to curb the budget deficit.

All of these pro-saving tax proposals have some undesirable features. The impact on income distribution of most of them is likely to be regressive. Despite the crucial importance of raising saving for the long run, it would be a mistake to dampen consumption too quickly in light of the present state of the economy.

These risks are genuine but can be countered by careful design of the taxes and by offsetting measures elsewhere. For example, necessities such as food and medicine can be exempted from a VAT or sales tax. Direct rebates can mitigate effects on the poor. If the new taxes were only a partial element in the overall regime, as is likely, the progressivity of the income tax could be increased to maintain fairness in the overall tax system. Some members of the Council nevertheless believe that consumption-based tax measures would be inappropriate and would prefer to continue relying on the progressive income tax.

#### EDUCATION

Sweeping reform of education, which the Council also believes should be seriously considered but on which we are not making specific recommendations in this report, would rest on building new incentives into the system at all levels. Colleges and universities would grant admission into degree programs only to those students who have demonstrated that they are prepared for real college-level work. The Federal government would provide incentives for colleges to raise their standards, and for students to meet those standards, by conditioning its institutional and student aid on this basis—and by making sure that all qualified students, however needy, obtain a college education.

Teachers and other K-12 personnel would be rewarded, as a group at each school, for improved performance by their students in meeting higher standards. Students and parents could be given a choice of schools to attend. Teachers pay would be made sensitive to shortages in individual disciplines to stimulate the supply of teachers in those areas. The impact on productivity of our system of educational governance and administration should be examined.

Similarly, students who do not attend college should be qualified to obtain good jobs as they leave high school. Employers would begin to scrutinize high school transcripts and teacher recommendations, and take them seriously into account in their hiring decisions. Companies might earmark some jobs for graduates designated by certain high schools, based in turn on those students' records. Structured work-study programs, drawing on German and other European experiences, could substantially improve both the job prospects for high school students and the quality of the workforce that emerges.

#### TRAINING

Fundamental reform can also be envisaged for aiding workers who must shift jobs due to dynamic changes in the economy. We now rely essentially on market forces and the efforts of some individual companies—and the latter should be improved and expanded to cover all classes of employees. But our Federal government has never mounted effective or widely accessible training programs. Most older industrial counties do it—and most of

them spend more than twice as much as the United States on the effort (Figure 24). The focus of a new training program would be on comprehensive worker adjustment assistance that comprised retraining, job search assistance and temporary income support tailored to the needs of the individual. Achievement of a fully competitive educational system would of course help to alleviate this problem as well.

#### TECHNOLOGY

On technology, the United States could establish a new mechanism for government and industry to work together to promote the development of generic pre-competitive technologies that are not being financed by the private sector. The Federal government has done a good job in supporting defense-related technologies, through its own national laboratories and the Defense Advanced Research Projects Agency (DARPA), but has been much less effective on the civilian side. There are huge differences between the two, and it is clear that expertise in generating and utilizing defense technologies cannot be easily transferred to commercial products.

Nevertheless, the end of the Cold War frees an enormous amount of high-quality resources in the United States: scientists, technicians, skilled workers managers as well as capital in both the private and public sectors. An historic opportunity exists to re-deploy at least some of those resources into channels that will support the restoration of American competitiveness. Much of this conversion must be accomplished in the private sector and some individual firms have already succeeded in launching the shift.

The Federal Government, however, may need to stimulate and encourage, may need to stimulate and encourage the process. In addition to creating a new mechanism for government-industry technology cooperation, at least large parts of the national laboratories—among our finest national institutions—should be redirected toward commercial ventures. More effective commercialization of new technologies could be promoted through the creation of new programs and institutions aimed at technology diffusion and application, such as a manufacturing extension program on the model of our agricultural extension service.

#### CORPORATE GOVERNANCE AND FINANCIAL MARKETS

On Corporate Governance and Financial Markets, the issue is whether our present system promotes or impedes growth in competitiveness. This question can be answered by careful evaluation of a number of propositions including the following:

- the degree to which long-term performance is the shared goal of both corporate managers and shareholder-owners;

- the degree of management's accountability to owners;

- the effectiveness of owner monitoring to achieve this goal;

- the impact of the "short term" signals sent by the trading practices of institutional investors and management's reaction to them;

- the desirability of dampening current rapid stock turnover patterns;

- the degree to which management's goals of creating shareholder value, creating corporate wealth and advancing the interests of stakeholders (including workers, suppliers and communities) conflict or harmonize with each other, and the preference for one over the other; and

- the effect of legislation in establishing a duty to these several constituencies.

#### HEALTH CARE COSTS

Comprehensive reform of health care, in addition to pursuing universal coverage, would involve a recognition that incentives for efficient utilization of medical care are lacking at all levels of the system. To deal with exploding costs, the Federal government could make use of a variety of containment strategies (including expenditure caps) both to reduce unnecessary use of medical services and to improve efficiency of the health care payment system.

Several alternative possibilities are currently being discussed:

- a single payer at the national or state levels could be established (with new limits on malpractice liability);

- to deal with the problems of uninsured, about 80 percent of whom are in working families, Congress could mandate employment-based coverage through a pay-or-play tax as recommended by The US Bipartisan Commission on Comprehensive Health Care (Pepper Commission);

- individuals could receive assistance in buying insurance with vouchers, tax credits or expanded regulations;

- a new universal access system could be created similar to those in other industrial countries.

#### TRADE

On trade, the Council also believes that an extensive set of reforms should be considered:

- An agreement among the Group of Seven industrial nations (G-7) to maintain the exchange rate of the dollar (and other currencies) at a competitive level, building on the "reference ranges" that were agreed in 1987. Avoiding dollar overvaluation is of central importance in maintaining American trade competitiveness;

- More broadly, agreements with the other economic superpowers (the European Community and Japan) to coordinate macroeconomics and monetary policies to sustain world growth and thus a hospitable environment for continuing trade expansion;

- Effective results that will promote US trade, employment and other interests through the several international negotiations in which the United States is presently engaged: most importantly, the Uruguay Round in the GATT, but also the North American Free Trade Agreement and subsequently the Enterprise for the Americas Institute;

- Substantial expansion of the Export-Import Bank to match both the magnitude and effectiveness of other countries' official export programs, as needed to induce others to agree to limit (or preferably eliminate) intergovernmental competition in this area;

- Elimination or sharp reduction of many of the export disincentives (excessive or unnecessary national security controls, foreign policy controls, sanctions, short supply controls, etc.) that now curtail billions of dollars worth of foreign sales by US firms annually.

- Evaluation of the effectiveness of US trade laws;

- Effective assessment of the practices pursued by our trading partners, specifically with regard to how such practices affect US exports;

- A reduction in staff turnover in the relevant government agencies to improve America's ability to negotiate beneficial trade agreements; and

- Comprehensive assessment of how multinational corporations, particularly those headquartered domestically, affect our competitiveness.

## SOLV: A NATIONAL MODEL

**HON. RON WYDEN**

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. WYDEN. Mr. Speaker, today I am honored to rise and pay tribute to SOLV, an organization of tens of thousands of citizen volunteers who help keep Oregon one of the environmental treasures of the country.

I bring this program to the attention of our colleagues because I believe SOLV is a model for environmental cleanup programs that can be adopted in every community in America.

SOLV works by bringing together Federal, State and local government agencies, business and industry, and most importantly citizen volunteers, into a powerful alliance to preserve the livability of Oregon. No single sector—be it government, industry, or citizen activists—can do the job alone. But when they join forces under SOLV, that's when the magic occurs. SOLV is a builder of bridges, not fences.

For more than 23 years, SOLV has made a real difference in the livability of my State—not through lawsuits or confrontation—but by putting volunteers to work for our communities. SOLV volunteers clean our beaches and waterways, educate our children about the environment, and clean up illegal garbage dumps.

Through the efforts of thousands of SOLV volunteers each year, more than 150 Oregon communities are cleaner, safer, and better places to live.

As Jack McGowan, executive director of SOLV, has put it, "We educate our children by example. Future generations will judge whether that example is one of vision, public service, and concern for the environment, or one of apathy and the status quo."

For example, SOLV, along with government and business partners, now undertakes the Nation's largest 1-day cleanup of illegal dump sites in a program called SOLV IT. During this year's annual event, 3,500 SOLV volunteers collected approximately 216,000 pounds of solid waste, 6,841 tires, and more than 57,000 pounds of scrap metal from 12 illegal dump sites located in wetlands, stream beds, and otherwise picturesque ravines in the Portland metropolitan area.

In partnership with the Oregon State Parks Division and the Oregon Department of Fish and Wildlife, SOLV has conducted one of the largest beach cleanups in America. For the past 9 years, thousands of volunteers have collected trash and debris washed up on Oregon's beautiful coast. This past spring, SOLV brought together more than 6,200 volunteers who cleaned up the entire coast from Washington to California. These volunteers collected more than 33 tons of debris, not only benefiting the environment, but saving Oregon taxpayers \$750,000 in cleanup costs. This is the kind of dedicated volunteerism that America needs.

SOLV has also worked to protect Oregon's coast from the destruction and devastation of oil spills. By working through a bureaucratic maze of seven State and Federal agencies, SOLV initiated and helped develop the country's first program to train citizens to clean up coastal environments after an oil spill.

Acting as a catalyst, SOLV brought together the U.S. Coast Guard, U.S. Fish and Wildlife Service, Federal OSHA, Oregon OSHA, Oregon Department of Fish and Wildlife, Oregon Department of Environmental Quality, and the Washington Department of Ecology to develop the training program. These free classes are held throughout Oregon on a regular basis.

Because of SOLV's persistent efforts, citizens learn how to successfully clean oil from beaches and headlands and how to capture and save birds and other wildlife drenched with oil. Without training and certification, citizens anxious to help clean up the environment after a spill could not do so.

Oregon now has a citizen force of more than 700 trained volunteers ready to respond when the oil spill occurs.

For all of these innovative ideas, SOLV was recognized today with one of the Department of the Interior's Sixth Annual Take Pride in America Awards.

This prestigious award recognizes citizens, organizations, and companies who best personify a spirit of volunteerism, stewardship, and dedication to the preservation of our Nation's natural resources.

There is no reason why every State in the country can't mobilize citizens of goodwill like SOLV has. SOLV would be happy to share the secrets of their success with citizens nationwide. I hope Members will pass on the story of this exciting organization, and I encourage my colleagues to invite their constituents to contact the program to pick up the SOLV spirit.

## MEXICO'S MIRACLE

**HON. PHILIP M. CRANE**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. CRANE. Mr. Speaker, in February, I had the tremendous honor of meeting President Carlos Salinas de Gortari of Mexico—who, in my opinion, is one of the world's most innovative and effective leaders. Through his programs of economic and governmental reforms, he has taken a country on the brink of economic destitution and turned it into a success story that should not only inspire other underdeveloped countries to attempt similar reforms but offers important economic lessons for our own country. President Salinas' commitment to free enterprise and market economy has transformed an economy plagued by inflation, corruption, and budget deficits into a robust engine of growth, efficiency, and budget surpluses. President Salinas has engineered a miracle that has made Mexico's economy the leader in Latin America. I commend to my colleagues the following article detailing Mexico's extraordinary economic growth and the rich, energetic market that awaits American business upon the successful completion of the North American Free Trade Agreement [NAFTA]:

## MEXICO'S MAESTRO

(By Martin and Kathleen Feldstein)

Confidence is running high in Mexico these days. Its economy is one of the best-performing in Latin America, only a few years after

it stood at the brink of financial collapse. Mexico's dramatic turnaround, based on adopting the principles of a market economy, is being envied and emulated by other countries from Latin America to Eastern Europe that are trying to escape from inefficient government-dominated economic policies.

The Mexican economic comeback has been masterminded by a group of top government officials who were trained in economics at US universities. President Carlos Salinas de Gortari, who received his doctorate at Harvard University, was the minister of economics and budget who designed the reform plan that began under his predecessor as president, Miguel de la Madrid Hurtado. The key Cabinet jobs in economics, finance, and trade are now also held by others with economic doctorates from the United States.

We recently visited Mexico City, where we talked with some of these officials and other leading economists. We came away feeling that their confidence in Mexico's economic future is well founded. Although they frankly admit that many problems remain to be solved, the structural framework for solving them is in place and the people responsible for the policies are exceptionally able.

When President Salinas (or one of his key Cabinet ministers) speaks to an international group of businessmen, bankers, and economists, he leaves no doubt about his unusually deep technical understanding of the complexities of Mexican economic reform. The Mexican miracle would probably not have been possible without a president and a team of top ministers who combine great political skill with such thorough understanding of economic fundamentals. When they answer questions, they make it clear that their remarks are not just a practiced speech but a reflection of real personal knowledge and detailed involvement in the reform process.

Our trip also persuaded us that the Mexicans are committed to a successful conclusion to the current negotiations to establish a North American Free Trade Agreement (NAFTA) with the United States and Canada. Such an agreement would remove barriers to trade and investment among the three countries in the same way that the recent U.S.-Canada Free Trade Agreement has done.

The NAFTA will be a good thing for all three countries, but it holds extra significance for Mexico. Although opinion polls in Mexico show that Carlos Salinas is now a very popular president and that his economic reforms have been well received, he worries that a future government could undo the recent changes and revert to state controls and public ownership. A free trade treaty with the United States would prevent such backsliding by increasing the links between the two economies to a point where future renationalizations and reregulation would be impossible.

President Salinas is not the only one who worries about the permanence of the recent economic reforms. Although Mexico has been expanding the markets for its products in the U.S. and attracting substantial amounts of foreign investment, many companies are still reluctant to establish or expand trade and investment relations with Mexico because they fear that the reform process may not be maintained. The free trade treaty will reduce those concerns by making it very clear that the Mexican reforms are permanent and that Mexico will be keeping its border open to imports and to foreign investment from the U.S. and Canada.

An increase in foreign investment in Mexico and in Mexican exports to the U.S. and Canada will provide better jobs for the Mexican labor force. Mexico is a very poor country with an average income only one-tenth the level in the United States. About one-fourth of Mexicans live without running water, and a large proportion have neither electricity nor sanitary sewage disposal. The better jobs that will come with increased investment and industrialization will mean faster growth of Mexicans' incomes and in their overall standard of living.

An important aspect of that rise in the Mexican standard of living will be an improvement in Mexican environmental conditions. Mexico City's air quality is now one of the worst in any major city in the world, and industrial facilities in other parts of the country create more pollution than American plants producing the same products. The high levels of industrial pollution along the U.S.-Mexico border, created by the American-owned plants built in Mexico under the maquiladora program of production for re-export, have caused political tension in some Southwestern states.

It's not surprising that a poor country like Mexico strikes a different balance between a cleaner environment and the other things that contribute to the quality of life than we do in the wealthier countries of North America and Western Europe. Improving environmental standards is costly. Citizens in the United States and Canada can turn their attention to environmental issues because they have already attained a high standard of living. But in Mexico wrong if it is reluctant to spend as much on environmental improvement at the expense of providing basic services to its people?

Some Americans oppose the NAFTA because they fear that US firms will shift pollution to Mexico in order to take advantage of lower environmental standards, and that Mexican industrialization will lead to increased global pollution. This view ignores the fact that rising incomes lead to policies that reduce pollution. As incomes rise in Mexico, the Mexicans will be willing and able to pay more to improve their environment. In fact, many environmental rules are already on the books but are not being enforced. In time the Mexican people will demand that the rules be enforced. The best way to achieve an improvement in the Mexican environment is as part of the overall increase in the standard of living that will come with economic development.

Contrary to many popular complaints in the United States, the US will actually benefit from the impact of NAFTA on the US labor market. The United States now exports more to Mexico than it imports from Mexico, implying that current trade with Mexico creates more jobs in US export industries than are displaced by imports from Mexico. The free trade agreement will lead immediately to increased US exports to Mexico—especially of machinery and equipment needed for increased investment in Mexico—and the making of those exports will mean more employment in the US.

Some exports from Mexico to the United States will no doubt replace production in the US, and some American firms will transfer manufacturing facilities to Mexico, where labor costs are substantially lower. Some low-skilled US manufacturing workers will lose their current jobs and have to find employment in service firms or other manufacturing industries. Such job changes are nothing new for the US economy. More than 10% of US manufacturing workers leave

their jobs each year and find work in other firms.

But the most important effect of a NAFTA on US labor markets will come over time as US companies work closely with Mexican firms and with US subsidiaries in Mexico to rationalize the production of manufactured goods. Lower-cost Mexican labor will be used to manufacture components for US products like autos or to convert US textiles into finished clothing. The result will be lower costs of production that make the US products more competitive both at home and abroad. And that will mean higher real incomes for both Mexicans and Americans.

Japanese firms have long been rationalizing production in a similar way through links with producers in lower-wage countries like South Korea and Thailand. As a result, the Japanese firms have been able to keep down the cost of their autos and electronic products despite rising wages in Japan and a higher valued Japanese yen. The free trade agreement with Mexico will give US firms the opportunity to remain competitive in much the same way that the Japanese firms have.

The Mexican government could never have contemplated a free trade agreement with the United States if it had not radically transformed its economy during the past half dozen years. To see how substantial that change has been, we have to remember what the economic situation was like when President de la Madrid, advised by an economics team headed by Carlos Salinas, took the first steps to reform just six years ago.

Mexicans often refer to the 1970's as "the lost years." The heavy hand of government reached into every corner of the economy, both through state ownership and through state regulations. State industries were generally inefficient and heavily subsidized. Corruption was ignored.

This was a period when Mexico was virtually closed to foreign investment and to imports of most manufactured products. Its inefficient firms were unable to export manufactured products, forcing Mexico to be overly reliant on its oil industry to generate the foreign currency earnings needed to finance those imports of consumer goods and equipment that were allowed into the country.

It borrowed heavily from foreign banks during the years of the OPEC cartel when its oil earnings were very substantial. But this money was not used for investing in Mexico's growth. And when the price of oil collapsed in the early 1980s, the Mexican economy collapsed as well. In the summer of 1982, Mexico threatened to default on \$100 billion of foreign debt, initiating a financial crisis that ricocheted across Latin America and world financial centers.

The result of this economic mismanagement was rampant inflation and a balance-of-payments crisis. By 1987 the inflation rate reached 159%, and the budget deficit had risen to more than 15% of gross national product. (For comparison, Washington's huge deficit that year was 3.4% of GNP.) Billions of dollars of capital had fled the country, transferred overseas by wealthy Mexicans who despaired of their country's future.

Five years later the inflation rate is down to 15% and falling. The government budget has been brought into balance and is even showing slight surplus. And the economy is now growing at more than 3.5% after inflation, strong domestic investment and non-petroleum exports.

Mexico achieved this recovery by completely reversing its mistaken policies of the

1970s. The economic team decided to approach the overhaul in steps. The first priority was to bring down the rate of inflation. To do this, they applied the traditional medicine of tough monetary and fiscal policies combined with an innovative political agreement with business and organized labor.

Monetary policy was so tight that interest rates exceeded inflation by more than 20%. This pressure was maintained for several years until the inflation rate had been sharply reduced. Today the attraction of Mexico to foreign investors is so great that the central bank is keeping interest rates down to prevent an excessive rise in the value of the Mexican peso.

The budget deficit was completely eliminated. This was done by cutting government spending rather than by raising tax rates, with the share of government spending in the GNP cut from 30% to less than 20%. Most of that spending decline was in the form of reduced subsidies to inefficient Mexican private firms and reduced losses on state-owned businesses. Mexican officials also point with pride to the savings that they have achieved by eliminating political patronage investments like highways leading to the estates of local officials.

But tight monetary and fiscal policy alone would not have been able to bring the inflation rate down as quickly without the explicit support of business and organized labor. The Pacto, as this agreement is called, involved mutual concessions to limit increases in prices and wages, backed up by government price controls on basic consumer staples like flour. And, by bringing representatives of business and of the powerful labor unions to sit with government officials, the Pacto process allowed inflation to be reduced without political disturbances or organized resistance. As the inflation rate has declined, the controls on most prices have been eliminated and the government is evolving toward its goal of letting prices and wages be determined entirely by market conditions.

Lower inflation and elimination of the budget deficit have made it possible to achieve major structural reforms—privatization, deregulation, tax reform, and the opening of the country to foreign products and investments. This is an ongoing process, but much has already been accomplished.

Privatization has been central to these structural reforms. Along with hundreds of previously nationalized small businesses, large industries like the airlines, the national telephone company, and major banks have already been sold off to private investors for a total of \$16 billion. Privatization sales have also eliminated many money-losing activities that had only added to the budget deficit. And with new foreign ownership has come an infusion of technology, capital, and management that will increase the efficiency of Mexican industry.

A consortium including Mexican, U.S., and French investors bought more than 90% of Telmex, the previously nationally owned telephone company, for \$4.8 billion. The two national airlines are no longer a drain on scarce government funds but have been sold to private investors. The government is in the process of selling the commercial banks that were nationalized in the early 1980s by the predecessor of President de la Madrid. Several banks have already been sold, including Bancomer and Banamex, the second- and third-largest financial institutions in Latin America.

The government has been careful not to use the proceeds of these sales for current

spending but to devote these funds to reducing Mexico's net national debt. Privatization has thus meant lower interest costs for the government as well as elimination of the subsidies previously paid to loss-making nationalized firms. President Salinas has made privatization politically popular by using these savings to finance programs for the poor, including rural electrification and sanitation projects.

By the end of this year, the government will have completed its privatization program. The only major exception to the privatization process will be the oil industry. The Mexican Constitution restricts ownership in this industry to Mexican citizens. Although Mexico would benefit from the infusion of capital and high technology that would come from opening up this industry, the outlook here is not bright because of the political history of oil in Mexico and the widespread public notion that oil is Mexico's "patrimony." But, even in this sector, progress is being made in opening the petrochemical industry to foreign investment.

Along with privatizing government-owned firms has come the deregulation of private industry. Transportation was the first sector to be deregulated, because of its importance to the operation of the economy. Trucks are no longer forced to return empty because of restrictions on where they could take on cargo, and new privately financed airlines have sprung up to serve regional markets. Deregulation is being extended into other areas including such diverse things as product packaging, textile production, and telecommunications.

The Mexican tax system has long had a reputation for corruption and noncompliance, as well as legal but wasteful loopholes. The Salinas government changed the tax rules and toughened enforcement, actually sending prominent tax cheaters to jail for the first time since the introduction of the Mexican income tax decades ago. Even with top personal income tax rates down from over 60% to a 35% maximum, tax collections have increased. The corporate tax rate is also down from 43% to 35%, and the value added tax has been cut from 15% to 10%.

Finally there has been a push for policies to stimulate trade and foreign investment. Mexico has made enormous strides in opening its economy to imports since it joined the GATT world trade system in 1986. Before then, the maximum tariff rates on imports reached 100%. Now the maximum tariff is 20%, and the average tariff is less than 10%. Non-tariff barriers have been substantially reduced, and import licenses have been virtually eliminated.

Before the Salinas administration, foreign investment was tightly limited and definitely discouraged. It was critical for this restriction to be reversed in order to stimulate domestic growth. Last year direct foreign investment into Mexico was \$4.8 billion. In addition, much of the Mexican flight capital that had been transferred overseas has been repatriated. This is one of the most important signs of the confidence that the Salinas program has fostered among Mexican investors.

Foreign investors are also buying Mexican stocks directly through the Mexican stock market and through the financial markets in New York.

The Mexican stock market boom has driven the value of Mexican shares up more than 100% in the past year and is providing financing opportunities for expanding businesses in Mexico. Last year the inflow of portfolio investment to Mexico was \$7.5 billion.

Mexico was the first country to restructure its external debt under the Brady Plan for resolving the international debt crisis. The restructuring agreement, signed in early 1990 in Mexico City, removed a cloud of uncertainty hanging over the Mexicans and signaled the end of an eight-year period of conflict with the international banking community.

Mexico has achieved fiscal balance, cut its inflation dramatically, and made remarkable progress on structural economic reforms. But it still has many problems.

Mexico remains a poor developing country with a general standard of living far below that in the United States or in any country of Western Europe. Its population of 85 million is growing at more than 1.9% a year, adding to the problems of poverty and overcrowding.

Some of the poorest Mexicans are among the 25% of the work force engaged in agriculture, where they produce less than 10% of GNP. A radical reform of land ownership rules was recently announced by President Salinas. But change will come only slowly to this very traditional sector.

Although overall economic growth is being fostered by economic reform, it will take decades for Mexican real incomes to reach the level that now prevails in even the poorest countries of Western Europe. Some progress has been made in reducing the birth rate in urban areas by increasing education and job opportunities for young women. But providing education and social services to the rapidly growing population remains a formidable challenge.

Despite these problems, the experience of Mexico in the past half-dozen years must be regarded as one of the greatest success stories in the annals of economic reform. The combination of these economic reforms and the free trade agreement with the United States holds out great hope for economic progress to raise the standard of living of America's southern neighbors.

The Mexican success story is also helping to drive reform elsewhere in Latin America and Eastern Europe. Governments there are trying to follow Mexico's example in balancing budgets, cutting inflation, ending industrial subsidies, and privatizing state firms. And, like Mexico, they are pursuing the opportunities and accepting the discipline that comes from opening their borders to foreign investment and the competition of imported products.

Because the Mexican economy is only one-twentieth the size of the US economy, the direct impact of its progress on the US economy will be quite small. But in a larger sense the people of the United States will benefit enormously from the changes that are taking place in Mexico, changes that will be expanded and enhanced by the North American Free Trade Agreement.

Sound economic growth, the decentralization of power that comes from privatization, and the forging of close links with the American economy through trade and investment will make Mexico a politically stable and philosophically compatible ally with which to face the 21st century.

#### A TRIBUTE TO ED CUSHMAN

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. DINGELL. Mr. Speaker, I rise today to express my sorrow, which I share with many

in Michigan, at the passing of Edward L. Cushman. My condolences go out to family members.

Edward was a man for all seasons. He enjoyed major success in all sectors of life—business, labor, education, and public service. Above all, he was a forerunner of the kind and quality of work life that many Americans aspire to achieve today.

Born on April 6, 1914, in Boston, MA, Edward Cushman graduated from the University of Michigan with degrees in political science and labor economics, and married the former Katherine Jean Moore of Dearborn.

Ed Cushman embarked upon his long and rich career with humble beginnings, toiling in the vineyards of the nuts and bolts of research analysis as research economist for the Michigan Unemployment Compensation Commission. By 1939 Mr. Cushman had been named director of the Civil Service Department of the Michigan Unemployment Compensation Commission and also assistant to the State director of the Michigan State Employment Service, where he was instrumental in drafting the original Michigan Unemployment Compensation Act—playing an historic role as part of the New Deal during the Roosevelt administration.

Mr. Cushman was named Michigan Director of the War Manpower Commission and the U.S. Employment Service in 1943 after holding important posts for the office of production management, the War Production Board, U.S. Employment Service, and the War Manpower Commission. He continued his major contributions to public service while serving in 1946 as special assistant to the Secretary of Labor in Washington. He served as chairman of the U.S. delegation to the Metal Trades Committee of the International Labor Organization.

Ed Cushman was a man who relished involvement in civic affairs, serving as vice chairman of the Citizens of Michigan, which became a springboard for George Romney to run for the Governor of Michigan, and a citizen movement leading to a State constitutional convention.

Ed used his expertise in labor matters and his many years public service to establish a solid foundation for his many contributions to the American business community. From 1954 to 1966 he was vice president and member of the board of American Motors. As an AMC vice president in 1961, he helped negotiate a labor package that at the time was considered one of the most progressive in the industry's history. In addition to incorporated profitsharing, as a key element in the UAW-AMC agreement, he helped resolve hundreds of labor disputes throughout the United States, establishing himself as one of the most outstanding experts in labor management relations in the Nation.

Active in his community and church, Ed was named "Layman of the Year" by the Detroit Council of Churches in 1960, and in 1963 the Michigan Council of Churches named him "Michigan Churchman of the Year." His diligent service on the National Council of the Boy Scouts of America and on the executive board of the Detroit area council, Boy Scouts of America, demonstrated his love for and commitment for the youth of his community, in Michigan, and throughout the Nation.

He was professor of public administration and director of the Institute of Industrial Rela-

tions at Wayne State University and served as its executive vice president and treasurer of its Board of Governors. There is no doubt that his legacy and contributions to the university will long be remembered by students and faculty members alike.

Ed Cushman was an unassuming man who talked little of his own accomplishments. But he was a man who relished living life to its fullest. He was a man who could help lead a public agency, major American corporation, or university by day and smoke a cigar and play his favorite game of dominos by night. He was a hard-nosed labor negotiator and a compassionate advisor to our youth. He was a dedicated public servant and a shrewd businessman. But with all this, he still had time to play a key role in the Christ Episcopal Church of Dearborn and be a loving husband to his wife and father to his children.

Mr. Speaker, Edward Cushman was, indeed, a man for all seasons. He was civic leader, public servant, educator, and businessman. He will be sorely missed by many, but his accomplishments will remain.

### THE CIVIL RIGHTS FIGHT CONTINUES

HON. J.J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. PICKLE. Mr. Speaker, "the Great Society is back in the news," said the Washington Post recently. The occasion, of course, was the contention of some national officials that the social programs of the 1960's were in some way responsible for the Los Angeles riots. "As a reminder of what the Great Society was about, and of how another President approached the issues that recurred \* \* \* in Los Angeles," the Post printed excerpts from a speech President Johnson delivered at Howard University in June 1965. The Civil Rights Act of 1964 was already law and the Voting Rights Act of 1965 would be passed in a few weeks when LBJ spoke. Some of his remarks, printed by the Post, were:

... The barriers to . . . freedom are tumbling down . . . but freedom is not enough. You do not wipe away the scars of centuries by saying, "Now you are free to go where you want, and do as you desire, and choose the leaders you please."

You do not take a person who, for years, has been hobbled by chains and bring him up to the starting line of a race and then say, "You are free to compete with all the others."

This is the next and more profound stage of the battle for civil rights. We seek not just freedom but opportunity. We seek not just legal equity but human ability, not just equality as a right and a theory but equality as a fact and equality as a result.

Our distinguished colleague from New York, Senator DANIEL PATRICK MOYNIHAN, who as Assistant Secretary of Labor wrote the first draft of LBJ's Howard University speech, recently inserted the Washington Post article in the CONGRESSIONAL RECORD, saying, "I am told that young staffers at the Post were astounded by the speech. They had not known that a President had ever talked to the American people in such terms."

Mr. Speaker, not just by his words, but by his actions as well, we will remember Lyndon Johnson as one of the great civil rights Presidents in American history. He was a civil rights champion to the very core of his being. And he remained a civil rights champion to the last days of his life.

Not many people today are aware of it, but the last speech LBJ delivered was a civil rights speech—one of the most powerful he ever gave. I was privileged to hear it and I will never forget it. The date was December 12, 1972. The place, fittingly enough, was the LBJ Library. LBJ was the concluding speaker in a symposium on civil rights which had assembled some of the giants of the movement—Earl Warren, Roy Wilkins, Clarence Mitchell, Hubert Humphrey, Vernon Jordan, Julian Bond, and such rising young stars as Barbara Jordan and Yvonne Burke.

The President had suffered a heart attack the year before and another would take him off a month later. He ascended the steps to the stage with some effort, slipped something into his mouth which was later revealed to have been a nitroglycerin tablet, and began slowly to speak.

Here are excerpts of what he said on that occasion. I commend them to all of my colleagues, on both sides of the aisle. Reading them after all of these years, should move all of us to rededicate ourselves to the cause of equality and fairness and justice and opportunity that Lyndon Johnson espoused so eloquently.

I don't speak very often or very long. My doctor admonished me not to speak at all this morning, but I'm going to because I have some things I want to say to you.

Of all the records that are housed in this Library, it is the record of this work which has brought us here that holds the most of myself within it and holds for me the most intimate meanings. In our system of government, honorable men honestly differ in their perceptions of government and what it's really all about. And today I can speak only of my own perception.

I believe that the essence of government lies with unceasing concern for the welfare and dignity and decency and innate integrity of life for every individual.

I do not say that I've always seen this matter, in terms of the special plight of the black man, as clearly as I came to see it in the course of my life and experience and responsibility. Now, let me make it plain that when I say "black," I also mean brown and yellow and red and all the other people who suffer discrimination because of their color or their heritage. Every group meets its own special problems, of course, but the problem of equal justice applied to us all.

Black Americans are voting now where they were not voting at all ten years ago. Black Americans are working now where they were not working ten years ago. Black Americans, brown Americans—Americans of every color and every condition—are eating now, shopping now, riding now, spending nights now, obtaining credit now, giving now, attending classes now, going and coming in dignity where and as they were never able to do in years before.

[But] the progress has been much too small; we haven't done nearly enough.

So let no one delude himself that his work is done. By unconcern, by neglect, by complacent beliefs that our labors in the fields of human rights are completed, we of today can

seed our future with storms that would rage over the lives of our children and our children's children. Yesterday it was commonly said that the black problem was a Southern problem. Today it is commonly said that the black problem is an urban problem, a problem of the inner city. But as I see it, the black program today, as it was yesterday and yester-year, is not a problem of regions or states or cities or neighborhoods. It is a problem, a concern and responsibility of this whole nation. Moreover, and we cannot obscure this blunt fact, the black problem remains what it has always been, the simple problem of being black in a white society. That is the problem which our efforts have not yet addressed.

To be black in a white society is not to stand on level and equal ground. While the races may stand side by side, whites stand on history's mountain and blacks stand in history's hollow. We must overcome unequal history before we overcome unequal opportunity. That is not, nor will it ever be, an easy goal for us to achieve.

Individuals and groups who have struggled long to gain advantages for themselves do not readily yield the gains of their struggles or their achievements so that others may have advantages or opportunities. But that is just the point, now and always. There is no surrender, there is no loss involved. No advantage is safe, no gain is secure in this society unless those advantages and those gains are opened up to all alike.

Where we have been concerned in the past for groups as groups, now we must become more concerned with individuals as individuals. As we have lifted from groups the burdens of unequal law and custom, the next thrust of our efforts must be to lift from individuals those burdens of unequal history.

Not a white American in all this land would fail to be outraged if an opposing team tried to insert a twelfth man in the line-up to stop a black fullback on the football field. Yet off the field, away from the stadium, outside the reach of television cameras and the watching eyes of millions of their fellow men, every black American in this land, man or woman, plays out life running against the twelfth man of a history he did not make and a fate he did not choose.

In this challenge, our churches, our schools, our unions, our professions, our trades, our military, our private employers, and our government have a great duty from which they cannot turn. It is the duty of sustaining the momentum of this society's effort to equalize the history of some of our people so that we may open opportunity for all our people.

Some may respond to these suggestions with exclamations of shock and dismay. Such proposals, they will say, ask that special consideration be given to black Americans. I can only hear such protest through ears attuned by a lifetime of listening to the language of evasion.

All that I hear now I have heard before for 40 years, in many forms and many forums. Give them the vote? I saw a murder almost committed because I said that in '37. Most people said, unthinkable! Give them the right to sit where they wish on the bus? Impossible! Give them the privilege of staying at the same hotel, using the same restroom, eating at the same counter, joining the same club, attending the same classroom? Never! Never!

Well, this cry of "never!" I've heard all of my life. And what we commemorate on this great day is some of the work which has helped in some areas to make never now.

This is precisely the work which we must continue. It's time to leave aside the legalisms and euphemisms and eloquent evasions. It's time to get down to the business of trying to stand black and white on level ground.

For myself, I believe it's time for all of us in government and out to face up to the challenge. We must review and reevaluate what we've done and what we're doing. In specific areas we must set new goals, new objectives, and new standards. Not merely what we can do to try to keep things quiet, but what we must do to make things better.

Now how much are we giving for that in this meeting? How much are we going to give in the days ahead? How are we going to employ that time? Who is going to bring our groups together? Who is going to select that leadership? And what is that leadership going to do?

I don't have a great staff, and little I can contribute in the way of leadership. But [to] those of you who do make up a great staff and who served as my staff, I want to suggest a few thoughts.

1. Are the federal government and the state governments, the foundations, the churches, the universities, doing what they can and all they should to assure enough scholarships for young blacks in every field?

2. Are our professions such as law, medicine, accounting, engineering, dentistry, architecture taking the initiative, sounding the call to make certain that their educational programs are so planned and so conducted that blacks are being prepared for the leadership courses and are given the support that they must have if they are to complete the courses and to have genuine opportunities to establish themselves in positions of leadership, professional careers, and things of that matter after their college days?

3. Are our trade unions and all those concerned with vocational occupations doing the same to open up apprenticeships and training programs, so that the blacks and the groups I spoke of have a fair chance at entering and a fair chance of succeeding in these fields that are so vital to the future of our nation and our country at this very moment?

4. Are our employers, who have already made a start toward opening jobs to the blacks, doing what they can and should in order to make certain that blacks qualify for advancement on the promotion ladder, and that the promotion ladder itself reaches out for the blacks as it does for the others in our society?

We cannot take care of the goals to which we've committed ourselves simply by adopting a black star system. It is good, it is heartening, it is satisfying to see individual blacks succeeding as stars in the fields of politics, athletics, entertainment, and other activities where they have high visibility. But we must not allow the visibility of a few to diminish the efforts to satisfy our real responsibility to the still unseen millions who are faced with our basic problem of being black in a white society.

Our objective must be to assure that all Americans play by the same rules. And that all Americans play against the same odds. Who among us would claim that that's true today? I feel this is the first work of any society which aspires to greatness. So let's be on with it.

We know there's injustice. We know there's intolerance. We know there's discrimination and hate and suspicion. And we know there's division among us. But there is a larger truth. We have proved that great progress is possible. We know how much still

remains to be done. And if our efforts continue and if our will is strong and if our hearts are right and if courage remains our constant companion, then, my fellow Americans, I am confident we shall overcome.

#### INTRODUCING THE CONVICT SERVICE LABOR PROHIBITION ACT OF 1992

**HON. HENRY B. GONZALEZ**

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. GONZALEZ. Mr. Speaker, I rise today to address a serious threat to working people throughout the United States by introducing the Convict Service Labor Prohibition Act of 1992. The threat is that of direct competition for jobs from prison labor in Mexico.

Last Wednesday, July 15, the U.S. Customs Service ruled that the long standing ban on the importation of goods made by convict labor does not apply to services. This decision opens the floodgates to the exportation of ever greater numbers of jobs from the United States and is a preview of what the Bush administration has in mind when the President talks about so-called free trade.

Specifically, Customs ruled that a Mexican company can once again start up a maquiladora operation it has set up inside of a prison in Juarez, Mexico. In fact, the operation began again the day before the ruling was officially announced. This operation uses Mexican convicts to sort retail coupons sent over from the United States. The information from this sorting and many of the coupons themselves are then exported back to the United States. While the coupon sorting industry does not seem vital to U.S. national interests, the Customs decision in this case sets a dangerous and far reaching precedent.

The operation in Juarez was set up specifically as a pilot project. With the approval of Customs, the use of prison labor will now expand throughout the maquiladora industry along the United States-Mexico border and throughout the interior of Mexico. And this expansion will not be limited to coupon sorting. The decision by Customs will allow incarcerated Mexican workers to perform the widest range of services for export back into the United States, such as cleaning laundry, appliance repair, car repair, and many others. It may even include some of the assembly operations that make up so much of the maquiladora industry and other operations established by United States companies in Mexico.

Already, thousands of jobs have been lost as United States corporations have sought out cheap Mexican labor. The average wage in Mexico is  $\frac{1}{10}$  that in the United States. In the maquiladoras, many earn as little as \$4 a day. Workers in the United States cannot compete with these wages let alone what incarcerated labor will be paid. Many more companies are poised and ready to move south as soon as a free-trade agreement is signed. Now that Mexican prisoners can be used in trade with the United States, the southward flow of jobs will become a torrent.

However, this is not to say expanded trade with Mexico is bad by definition. Such trade

has great potential for benefiting working people on both sides of the border. To do this, the benefits of so-called free trade have to be widely distributed, and not just reserved for the few. Having been born and raised in San Antonio, TX, I am well aware of how important the economic ties between Mexico and the United States are and I have always done everything I could to protect and enhance these ties in the most mutually beneficial manner possible. What is at stake is what free trade is going to mean. By the looks of it, cities such as my own may be turned into little more than truck stops transshipping goods—some made in Mexican prisons—to and from Mexico. By allowing the use of convict labor the Bush administration has showed that the President's vision of free trade will profit the few at great cost to the many, and will lower the living standards of working people on both sides of the border.

Not only will this use of prison labor cost United States workers their jobs, but it will also hurt Mexican workers and force many more to migrate to the United States. Working people in Mexico earn far less in Mexico than they can in the United States. Working conditions along the border with the United States, where many work in the maquiladora industry, are a far cry from the conditions guaranteed U.S. workers by law. In a country where the official unemployment rate runs over 20 percent, the use of convict labor in the expansion of trade with the United States will only further lower living standards in Mexico. This will create even greater pressure for Mexican workers to migrate to the United States in search of work. They will have to do this, or face having to get themselves arrested just to find a job.

In the past, Congress has passed trade laws with the specific intent of protecting U.S. workers from the unfair competition of prison labor in other countries. The ban on the importation of goods made from convict labor has been on the books since 1930. In light of the ruling by Customs, this law is now obviously inadequate to protect the well-being of working people in the United States. For this reason, I am today introducing the Convict Service Labor Prohibition Act of 1992. This bill will include services in the ban on imports made with convict labor. It will also include services in the criminal penalties for the importation of such goods. And third, it will for the first time establish civil penalties for the violation of this law.

The rush toward free trade has been on the fast-track over a year now. All that we have gotten is a lot of broken promises from the President for the protection of the environment; domestic health, safety, and other laws; and for the protection of America's working people. I urge my colleagues to join with me in support of this much needed legislation to close this gaping hole in the law to help make sure that the interests of the working people of this Nation are not sold down the river of free trade for a fast buck.

## A TRIBUTE TO GERRY HILLIER

**HON. JERRY LEWIS**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. LEWIS of California. Mr. Speaker, I would like to bring to your attention today the fine work and outstanding public service of my good friend, Gerry Hillier, who is retiring from the Bureau of Land Management [BLM] after a distinguished career spanning more than 34 years.

Gerry was born in Portland, OR, and raised in Sacramento, CA. He attended the University of California at Davis and graduated with a B.S. degree in range management from Washington State University in 1958. In addition, he has completed graduate work in economics and public administration at Oregon State University, University of Montana, and George Washington University. Several years ago, Gerry completed a special program for Federal Senior Executive Service candidates.

Gerry began his professional career with the Bureau of Land Management over 34 years ago and served as a range conservationist in Susanville, CA, and Baker, OR, as well as a range manager in Prineville, OR, and assistant district manager in Rock Springs, WY. Gerry participated in the Department of Interior's Management Training Program in Washington, DC, before heading the soil and watershed conservation and range improvement programs for BLM in Montana.

In 1971, he was appointed district manager in Salt Lake City and in 1976 was promoted to district manager in Riverside, CA, where he has directed over 260 Federal employees in 5 resource areas and the district headquarters office. In 1980, Gerry assumed his role as district manager of the entire California Desert with the completion of the desert conservation area plan. He has been responsible for management and administration of 12.5 million acres of public land in San Bernardino, Inyo, Riverside, Imperial, Kern, Los Angeles, and San Diego Counties. Gerry has also served as a special assistant to the BLM Director in Washington, DC, for liaison with the President's Commission on Americans Outdoors. In 1989, he was recognized by the Department of the Interior as the recipient of the Meritorious Service Award for his career achievements in land and resource management.

Mr. Speaker, I ask that you join me, our colleagues, friends, and of course, Gerry's wife Judy, his two children and five grandchildren in recognizing my good friend's outstanding accomplishments with the BLM. Indeed, his record of service is certainly worthy of recognition by the House of Representatives.

COMMEMORATION OF THE 50TH  
ANNIVERSARY OF THE POLISH  
INSTITUTE OF ARTS AND  
SCIENCES IN AMERICA

**HON. BILL GREEN**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. GREEN of New York. Mr. Speaker, I rise today to commemorate the Polish Institute

of Arts and Sciences in America. The institute will celebrate its 50th anniversary at the Pierpoint Morgan Library in Manhattan on October 1, 1992.

The Polish institute is a scholarly organization upholding the tradition of its mother organization, the Polska Akademia Umiejetnosci, located in Krakow, Poland. In 1942 when the Polska Akademia was forced underground, a few of its members, notably Bronislaw Malinowski and Oskar Halecki, founded a Polska Akademia in Exile in the United States.

The Communist occupation that followed the end of the war forced many more scholars to relocate to the United States, where they joined the ranks of those who had founded what was by then called the Polish Institute of Arts and Sciences.

The institute is dedicated to the preservation of free scholarship in Poland, and is a living symbol of its enduring heritage. The 1,500 current members include Nobel Prize winners, scholars, artists, and writers, all of whom have distinguished themselves in their chosen fields. The membership includes individuals of Polish descent as well as other ethnic groups who are conducting research into Polish or Polish-American subjects. Those individuals contribute their talent to scholarship efforts in Poland and in the United States.

Today, I join my colleagues in commemorating the dedication and perseverance of the members of the Polish Institute of Arts and Sciences. I hope that our shared commitment to the preservation of freedom shall continue until we have accomplished our goal of freedom worldwide.

CARL GARNER: MAKING THE  
WORLD JUST A LITTLE BETTER

**HON. BILL ALEXANDER**

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. ALEXANDER. Mr. Speaker, I am proud to report that a project begun by my friend, Carl Garner of Heber Springs, was installed in the Take Pride in America Hall of Fame this morning.

The induction resulted from the Greers Ferry Lake and Little Red River Cleanup project being named a national Take Pride in America winner for 5 consecutive years.

Since 1970, Carl, who is resident engineer at Greers Ferry Lake in north-central Arkansas, has spearheaded the cleanup.

Carl Garner would be the first to give credit for the success of this program to the thousands of volunteers who came together each year to clean 300 miles of shoreline on Greers Ferry, 25 miles of shoreline on the Little Red River and 50 roadside miles in the area.

The cleanup—which has now evolved into a comprehensive year-round environmental and educational program—was the model for legislation which I introduced, along with Senator BUMPERS from Arkansas, requiring Federal land agencies to organize and conduct annual volunteer cleanups. Last year 52 separate cleanups were held in Arkansas—and more than 1 million people participated in similar events across the Nation.

So, what Carl Garner started on the shores of Greers Ferry Lake and the Little Red River in Arkansas has become a nationwide movement which serves to give people a greater appreciation for their public lands—and for the environment in general.

Carl—along with the thousands of people who have participated in these cleanups—are certainly to be congratulated.

I have been honored to participate in each of the cleanups and I can tell you that the enthusiasm of the volunteers is infectious and gives rise to the belief that—together—we can solve the many serious environmental problems faced by all of us who call this planet home.

And, Mr. Speaker, the massive cleanup does not cost the American taxpayer one dime. The \$15,000 in expenses for last year's cleanup were paid by more than 300 businesses.

In 1991, more than 3,000 people, including 1,000 Boy Scouts, participated in the Greers Ferry Lake and Little Red River Cleanup. The Arkansas National Guard and two Cleburne County road crews transported 60 cubic yards of nonrecyclable trash and 8,700 pounds of aluminum cans were picked up and sold for recycling.

All of us should strive, in whatever way we can, to leave this Earth just a little better than we found it. And Carl Garner, and those who work alongside him, have certainly done just that. Again, Mr. Speaker, I offer my congratulations to each and every one of them.

INTRODUCTION OF THE HEAD  
START IMPROVEMENT BILL

**HON. MATTHEW G. MARTINEZ**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. MARTINEZ. Mr. Speaker, I come before you today to introduce a bill regarding one of our favorite Federal programs, the Head Start Act. The Head Start Act is, as we all know, a wonderful program that provides low-income preschool-aged children services that provide for their educational, social, health and nutritional needs. Once these children complete the Head Start Program, they are able to enter school on an equal footing with other children, instead of starting at a remedial level.

Studies show that the Head Start Program has been very successful, and that graduates from programs like Head Start are more likely to do well in school, stay in school, and are less likely to engage in delinquent behavior or drop out of school. Head Start, therefore, is a program that should be the cornerstone of our social policy—not only does it provide educational and health services to children who might not otherwise receive these services, but it is a very effective preventive program for our at-risk youth.

As chairman of the subcommittee with jurisdiction of the Head Start Act, I am one of its greatest fans. I think that Head Start is a program that should be emulated throughout our national social policy. I am not, however, Head Start's only fan. Head Start is receiving broad support from both sides of the aisle.

In addition to the support of Mr. FORD, chairman of the Education and Labor, this bill enjoys the support of Mr. GOODLING, the ranking minority member of the Education and Labor Committee, and Mr. FAWELL, the ranking minority member of the Subcommittee on Human Resources. Mr. KILDEE, Ms. LOWEY, and Mr. DE LUGO are also original cosponsors of this bill. President Bush has also shown support for the Head Start Act, and has proposed a \$600 million increase in the Head Start appropriations for fiscal year 1993.

Because the Head Start Program is currently serving less than one-third of the eligible population, this infusion of funds would do a lot to increase the numbers of children who could receive the valuable services that Head Start provides. Money, however, is not the only answer to creating an effective Head Start Program.

The bill I am introducing today, the Head Start Improvement Act, would make technical changes to the Head Start Act that would ensure it runs at its most efficient level. Without these technical changes, many of these additional dollars will not be used effectively. Although these changes are small, the Head Start community indicates that these changes are necessary to preserve the quality of Head Start services and to allow existing programs to grow as the appropriations for the programs grow.

Although these changes will greatly increase the efficiency and effectiveness of Head Start services, they will have little or no cost impact on current services, and there are no set asides or new authorization levels. The appropriations bill marked up at the Appropriations Subcommittee on Labor, Health and Human Services and Education provided the additional \$600 million for fiscal year 1993.

I have attempted to make this bill as cost free as possible. The changes, which I will outline in a minute, will create dollars, because they will allow the existing dollars appropriated to the Head Start Program to be used more efficiently, ultimately allowing more children to receive better quality Head Start services.

The Head Start improvement bill makes six main modifications to the existing Head Start Act. The bill amends the act:

First, to allow programs to apply for money to purchase their Head Start facilities;

Second, to reformulate the requirements placed on Head Start agencies that need a waiver of non-Federal matching requirements;

Third, to require that the Department of Health and Human Services to issue regulations regarding the safety features, and safe operation, of transportation used by Head Start Programs;

Fourth, to allow younger siblings of Head Start students to qualify for health care benefits under the Head Start Program;

Fifth, to maintain local control of quality improvement money for one additional year;

Sixth, to strengthen the role of parents in the Head Start Act, and to provide the services necessary to allow them to guide their children; and

Seventh, to require the Secretary to review new agencies after the first year of operation and allow for follow-up reviews of existing programs.

The number one priority for the Head Start Programs concerns improving the facilities where Head Start services are administered. Current law prohibits using grant funds for the purchase or construction of facilities. This prohibition creates a number of expensive problems. First of all, Head Start Programs can receive funds for renovating existing space, mostly donated property. After these renovations are done, the owners have a tendency to reclaim their property, and the money spent on the renovations is lost.

Second, in many cases, the cost of a mortgage payment may be less than the cost of a rental payment. By prohibiting the programs from purchasing a facility, we are actually sacrificing a possible cost-savings for the program.

Last, programs that cannot find stable facilities are faced with the added costs of moving from new location to new location. Allowing programs to purchase facilities would eliminate these problems, while creating virtually no Federal burden. Purchased facilities would be used by the Head Start Program as long as the program exists, and the facilities would either be transferred to a new grantee or would be otherwise sold to another party if the Head Start Program fails to be a grantee.

The second priority of the Head Start Improvement Act is to reformulate the waiver of non-Federal matching requirements. Under current law, the Secretary has the authority to waive the Federal matching requirements as he or she feels is necessary. However, current regulations allows the Secretary to waive the 20 percent match of Federal funds only under two circumstances first, when the average per capita incomes is less than \$3,000 in the county which desires the waiver; and second, when the Federal match cannot be met as a result of a natural disaster.

These criteria are extremely limiting; the per capita income option has not been adjusted since the late 1970's. Nearly all counties in the United States now have higher per capita incomes than would be required for the waiver.

In addition, since appropriations have nearly doubled over the last year, the Federal funds are becoming increasingly difficult to match. By modifying the requirements and requiring the Secretary to consider the current needs of the programs, the waivers can be given more fairly and yet still preserve the integrity of the matching requirements and the Secretary's authority to waive them.

The bill also would require the Department of Health and Human Services to provide regulations to Head Start Programs to protect the safety of participants while being transported to and from Head Start facilities. Despite the fact that Head Start Programs own and operate vehicles with which to transport children to the preschool programs, the Department currently does not provide any regulations for purchasing and operating vehicles safely. As Head Start Programs replace their obsolete vehicles, Department regulations would assist them to obtain vehicles that ensure safe transportation for Head Start participants.

The Head Start improvement bill would allow younger siblings of Head Start participants to qualify for the health care benefits which are often donated to the Head Start Programs for free, or are provided through State or local programs.

For most Head Start families, Head Start provides them with the primary access to health care services. Siblings in Head Start families who are too young to be eligible for Head Start are often left without any health care at all. By allowing these children access to the health care services that their siblings are receiving, the quality of life for the entire family would improve.

The Head Start Programs would not be paying for or directly administering health services; the programs would merely be providing assistance in accessing health care services for these families, usually provided to Head Start for free. Therefore, providing those additional siblings with health care access would not significantly impact the cost of Head Start programming.

Current law now gives local Head Start programs the control of its quality improvement money for the first 2 years after the reauthorization and then the following 2 years are controlled by the Secretary. The bill would allow the local programs to maintain control of the moneys for an additional year, because the appropriations level expected in the first 2 years was never realized and local programs were not able to make the quality improvements expected.

The Head Start Improvement Bill revises the parental involvement language to strengthen the role and education of parents whose children are involved in the program. The role that parents play in the Head Start Program, by taking part in literacy and child development skills training, is what makes Head Start a truly unique and exceptional program. By strengthening the parents' involvement and role in the training programs, Head Start can become an even more effective program which not only helps the children enrolled, but also their entire families.

Finally, this Head Start bill amends the act to require that the Secretary review new agencies after only 1 year of operation instead of the 3 years required by current law. Head Start Programs generally develop the procedures and policies necessary to provide comprehensive services to children in this first year. It is critical that new programs receive the guidance of the Department early, so that they can make their services as effective as possible without having to re-invent the wheel. Providing the first review, therefore, is most timely after 1 year.

This amendment will also allow programs to be reviewed more often than every 3 years. Programs that need extra guidance get the attention they require, and programs that are already running effectively can get the necessary assessments, training and technical assistance that will allow them to continue to do so.

The changes made in the Head Start Improvement Bill are minor and inexpensive changes. Yet, these changes, combined with the infusion of money that we are seeing with this year's increased appropriations level, can radically improve the effectiveness of the program and increase the number of low-income children that receive quality educational, health, and nutrition services. I urge you to support the Head Start improvement bill.

H.R. —

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

**SECTION 1. SHORT TITLE.**

This Act may be cited as the "Head Start Improvement Act of 1992".

**SEC. 2. AMENDMENTS.**

(a) ALLOTMENT OF QUALITY IMPROVEMENT FUNDS.—Section 640(a)(3)(B) of the Head Start Act (42 U.S.C. 9835(a)(3)(B)) is amended—

(1) in clauses (i) and (iii) by striking "and second" and inserting ", second, and third", and

(2) in clause (ii) by striking "second" and inserting "third".

(b) PARENTAL SKILLS.—Section 640(a)(4)(B)(i)(II) of the Head Start Act (42 U.S.C. 9835(a)(4)(B)(i)(II)) is amended by inserting ", literacy," after "skills".

(c) REDUCTION OF REQUIRED AMOUNT OF MATCHING FUNDS.—Section 640(b) of the Head Start Act (42 U.S.C. 9835(b)) is amended—

(1) in the first sentence by striking ", in accordance with regulations establishing objective criteria," and

(2) by inserting after the first sentence the following:

"For the purpose of making such determination, the Secretary shall take into consideration with respect to the Head Start program involved—

"(1) the lack of resources available in the community that may prevent the Head Start agency from providing all or a portion of the non-Federal contribution that may be required under this subsection;

"(2) the impact of the cost the Head Start agency may incur in initial years it carries out such program;

"(3) the impact of an unanticipated increase in the cost the Head Start agency may incur to carry out such program;

"(4) whether the Head Start agency is located in a community adversely affected by a major disaster; and

"(5) the impact on the community that would result if the Head Start agency ceased to carry out such program."

(d) ISSUANCE OF TRANSPORTATION SAFETY REGULATIONS.—Section 640 of the Head Start Act (42 U.S.C. 9835) is amended by adding at the end the following:

"(i) The Secretary shall issue regulations establishing requirements for the safety features, and the safe operation, of vehicles used by Head Start agencies to transport children participating in Head Start programs."

(e) REVIEW OF HEAD START AGENCIES.—Section 641(c)(2) of the Head Start Act (42 U.S.C. 9836(c)(2)) is amended—

(1) by inserting "(A)" after 11(2)", and

(2) by adding at the end the following:

"(B) The Secretary shall conduct a review of each newly designated Head Start agency immediately after the completion of the first year such agency carries out a Head Start program.

"(C) The Secretary shall conduct followup reviews of Head Start agencies when appropriate."

(f) DESIGNATION OF HEAD START AGENCIES.—Section 641(d) of the Head Start Act (42 U.S.C. 9836(d)) is amended—

(1) in paragraph (6) by striking "and" at the end, and

(2) by adding at the end the following:

"(8) the plan of such applicant to provide (directly or through referral to educational services available in the community) parents of children who will participate in the proposed Head Start program with child devel-

opment and literacy skills training in order to aid their children to attain their full potential; and

"(9) the plan of such applicant who chooses to assist younger siblings of children who will participate in the proposed Head Start program to obtain health services from other sources."

(g) POWERS AND FUNCTIONS OF HEAD START AGENCIES.—Section 642(b) of the Head Start Act (42 U.S.C. 9836(b)) is amended—

(1) by striking "and (5)" and inserting "(5)", and

(2) by inserting before the period at the end the following:

"(6) provide (directly or through referral to educational services available in the community) parents of children participating in its Head Start program with child development and literacy skills training in order to aid their children to attain their full potential; and (7) consider providing services to assist younger siblings of children participating in its Head Start program to obtain health services from other sources."

(h) ADMINISTRATIVE REQUIREMENTS AND STANDARDS.—Section 644 of the Head Start Act (42 U.S.C. 9839) is amended—

(1) by striking "No" and inserting "Except as provided in subsection (f), no",

(2) in the first sentence of subsection (c) by striking "subsection (a)" and inserting "subsections (a) and (f)", and

(3) by adding at the end the following:

"(f)(1) The Secretary shall establish uniform procedures for Head Start agencies to request approval to purchase facilities to be used to carry out Head Start programs.

"(2) Except as provided in section 640(a)(3)(A)(v), financial assistance provided under this subchapter may not be used by a Head Start agency to purchase a facility (including paying the cost of amortizing the principal, and paying interest on, loans) to be used to carry out a Head Start program unless the Secretary approves a request that is submitted by such agency and contains—

"(A) a description of the site of the facility proposed to be purchased;

"(B) the plans and specifications of such facility;

"(C) information demonstrating that—

"(i) the proposed purchase will result in savings when compared to the costs that would be incurred to acquire the use of an alternative facility to carry out such program; or

"(ii) the lack of alternative facilities will prevent the operation of such program; and

"(D) such other information and assurances as the Secretary may require."

(i) TECHNICAL AMENDMENTS.—(1) Section 640 of the Head Start Act (42 U.S.C. 9835) is amended—

(A) in subsection (a)—

(i) in paragraph (2)—

(I) in subparagraph (A) by inserting "children" after "handicapped",

(II) in subparagraph (B) by striking "Commonwealth of," and inserting "Commonwealth of", and

(III) in subparagraph (C) by striking "any",

(ii) in paragraph (3)(A)(vi) by striking "section 640(a)(2)(C)" and inserting "paragraph (2)(C)", and

(iii) in paragraph (5)(B)(i) by striking "clause (A)" and inserting "subparagraph (A)", and

(B) in subsection (g) by striking "for all" and inserting "For All".

(2) Section 640A(b) of the Head Start Act (42 U.S.C. 9835a) is amended—

(A) in paragraph (1) by striking "solution" and inserting "solutions", and

(B) in paragraph (7)—

(i) in clause (iii) by striking "the", and

(ii) in clause (iv) by striking "the" the first place it appears.

(3) Section 642(c) of the Head Start Act (42 U.S.C. 9837(c)) is amended by striking "sub-title" and inserting "subchapter".

(4) Section 643 of the Head Start Act (42 U.S.C. 9838) is amended by striking "the such" and inserting "such".

(5) Section 651(g) of the Head Start Act (42 U.S.C. 9846(g)) is amended—

(A) by striking "physical" and inserting "physical", and

(B) by striking "(g)(1)" and inserting "(g)".

(6) Section 651A of the Head Start Act (42 U.S.C. 9846a) is amended—

(A) in subsection (f) by striking "COMPARISON" and inserting "COMPARISON", and

(B) in subsection (g) by inserting "of title I of the Elementary and Secondary Education Act of 1965" after "chapter 1".

**SEC. 3. TECHNICAL AMENDMENTS RELATING TO THE CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT OF 1990.**

(a) PLACEMENT OF ACT.—Section 5082 of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508; 104 Stat. 1388-236) is amended in the matter preceding paragraph (1) by striking "title IV" and inserting "title VI".

(b) REFERENCES IN DEFINITIONS.—Section 658P of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n) is amended—

(1) in paragraph (7)—

(A) by striking "section 4(b)" and inserting "section 4(e)", and

(B) by striking "(25 U.S.C. 450b(b))" and inserting "(25 U.S.C. 450b(e))", and

(2) in paragraph (14)—

(A) by striking "section 4(c)" and inserting "section 4(l)", and

(B) by striking "(25 U.S.C. 450b(c))" and inserting "(25 U.S.C. 450b(l))".

(c) REFERENCES IN DEFINITIONS.—Section 658P of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n) is amended—

(1) in paragraph (7)—

(A) by striking "section 4(b)" and inserting "section 4(e)", and

(B) by striking "(25 U.S.C. 450b(b))" and inserting "(25 U.S.C. 450b(e))", and

(2) in paragraph (14)—

(A) by striking "section 4(c)" and inserting "section 4(l)", and

(B) by striking "(25 U.S.C. 450b(c))" and inserting "(25 U.S.C. 450b(l))".

(d) REFERENCES IN DEFINITIONS.—Section 658P of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n) is amended—

(1) in paragraph (7)—

(A) by striking "section 4(b)" and inserting "section 4(e)", and

(B) by striking "(25 U.S.C. 450b(b))" and inserting "(25 U.S.C. 450b(e))", and

(2) in paragraph (14)—

(A) by striking "section 4(c)" and inserting "section 4(l)", and

(B) by striking "(25 U.S.C. 450b(c))" and inserting "(25 U.S.C. 450b(l))".

(e) REFERENCES IN DEFINITIONS.—Section 658P of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n) is amended—

(1) in paragraph (7)—

(A) by striking "section 4(b)" and inserting "section 4(e)", and

(B) by striking "(25 U.S.C. 450b(b))" and inserting "(25 U.S.C. 450b(e))", and

(2) in paragraph (14)—

(A) by striking "section 4(c)" and inserting "section 4(l)", and

(B) by striking "(25 U.S.C. 450b(c))" and inserting "(25 U.S.C. 450b(l))".

(f) REFERENCES IN DEFINITIONS.—Section 658P of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n) is amended—

(1) in paragraph (7)—

(A) by striking "section 4(b)" and inserting "section 4(e)", and

(B) by striking "(25 U.S.C. 450b(b))" and inserting "(25 U.S.C. 450b(e))", and

(2) in paragraph (14)—

(A) by striking "section 4(c)" and inserting "section 4(l)", and

(B) by striking "(25 U.S.C. 450b(c))" and inserting "(25 U.S.C. 450b(l))".

**COMMENDATION TO THE RESULTS ORGANIZATION****HON. ANDREW JACOBS, JR.**

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. JACOBS. Mr. Speaker, RESULTS is a national organization dedicated to effective solutions to poverty, which is to say hunger and inadequate shelter.

By all accounts I have heard, RESULTS gets results because its volunteers are willing to roll up their sleeves and work at the problem.

From what I know about the organization, it is entitled to the commendation of all thoughtful citizens of goodwill.

## SATURN'S SUCCESS SALUTED

**HON. DON SUNDQUIST**

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. SUNDQUIST. Mr. Speaker, Saturn came to Tennessee in 1985, choosing a quiet farming community to be home to a state-of-the-art automobile plant which would turn out a revolutionary new automobile. We Tennesseans have followed the company's progress with interest and with pride.

I find it worth noting that this car made in Tennessee, Saturn, in the first year in which it is eligible, has been named the best domestic nameplate in customer satisfaction by J.D. Power and Associates. Saturn placed third overall on Power's Customer Satisfaction Index, representing the highest mark ever attained by a domestic car in the 6 years Power has conducted its research.

In addition, in the listing of top automobile models, two Saturn models finished in the top 10 in customer satisfaction. The Saturn SL Sedan was fifth; the Saturn SC Coupe was eighth. They are the only two domestic automobiles to make the top ten.

I call this to the attention of my colleagues because it is now my privilege to represent Spring Hill and many of the men and women who make Saturn cars, and because I believe that the labor-management partnership one observes at Saturn can be both a model and an inspiration. These are American workers making an American product that compares with the best the rest of the world has to offer. That is something worth recognizing.

In a few weeks, Maury County will hold its annual Saturn Appreciation Lunch, at which community leaders will salute those who built Saturn cars and celebrate the partnership of labor and management that sets this company apart. I look forward to joining my constituents and friends in that salute, and I invite my colleagues in this House to join me in recognizing this American success story.

RESOLUTION TRUST CORPORATION  
ASSET RECOVERY ACT OF 1992**HON. JIM LEACH**

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. LEACH. Mr. Speaker, today I am introducing the Resolution Trust Corporation Asset Recovery Act of 1992. This bill would extend the statute of limitations for Government suits against negligent and corrupt S&L owners from 3 years to 5 years, thereby giving the Government more time to recover a portion of the billions of dollars from those who were responsible for the S&L debacle.

Moreover, I am urging enactment of this bill by the end of the week. Already the 3 year time period has expired on 240 thrifts with the RTC filing suits on only 90 of them as of May 12, 1992.

By August 9, 1992, the third anniversary of the enactment of FIRREA which created the RTC and provided it with an initial \$50 billion

to resolve the S&L problem, the statute of limitations will have expired on an additional 22 institutions. Once a statute has lapsed, the RTC is prohibited from filing any lawsuits against negligent officers and directors.

Recently, there have been a number of press accounts reporting that the RTC's professional liability section is in disarray, and that experienced litigators and investigators are leaving the unit just as the statute of limitations is expiring on hundreds of failed thrifts.

Last month the RTC filed a \$1.3 billion lawsuit, one of its biggest, against officers of an Arizona thrift just minutes before the statute of limitations was ready to expire.

Investigations of failed thrifts is extremely labor intensive. Expediently passing this bill would allow RTC more time to gather information and documents, thus shoring up its ability to file suits and ultimately obtain cash recoveries from S&L officers.

The Senate under the leadership of the Senator from Colorado [Mr. WIRTH] has included this legislation in the GSE bill passed by that body on July 1, 1992.

The last time Congress amended FIRREA was before the July 4 recess. Congress took all of 2 days to enact a bill to delay implementation of the capital subsidiaries requirement for thrifts. If Congress can enact a bill within such short time for legislation that will save \$480 million in capital writedowns for owners of thrifts, it surely should be able to pass in the next few days this bill which would save millions for the taxpayer.

HAPPY BIRTHDAY TO MAURI JANE  
FRANKE**HON. BILL SARPALIUS**

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. SARPALIUS. Mr. Speaker, during our absence last week there was a very special birthday that took place back in Texas. A beautiful little girl that many in this body have met turned 5 years old on July 16, 1992. Virtually every Member from Texas, Arkansas, New Mexico, and Oklahoma has had Mauri Jane Franke brighten their office when she comes to town with her dad. Mauri Jane, the daughter of Wayne and Jane Franke of Buda, TX, is a beautiful sight when she comes-a-running into your office with that curly brown hair bouncing and those big brown eyes shining. If you're one who has experienced it—you know what I am talking about. It is hard to believe that this little lady who once crawled into Congressman BROOKS' office at the age of 7 months is now on her way to school. The House of Representatives wishes you a happy birthday, Mauri Jane. Come back and see us soon.

MAJ. GEN. RICHARD F. GILLIS  
RETIRES**HON. J. ROY ROWLAND**

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. ROWLAND. Mr. Speaker, Maj. Gen. Richard F. Gillis is retiring after 38 years of service in the Air Force, including the past 4 years as commander of the Warner Robins Air Logistics Center in Warner Robins, GA, one of five logistics centers in the country and Georgia's largest industrial complex.

During his stay in middle Georgia, General Gillis built up the morale of the work force; streamlined base operations; tackled environmental problems; established new programs such as the museum of aviation; spread good will through the community; and did an exemplary job of providing worldwide support for transport aircraft, fighters, helicopters, air-to-air missiles, surface motor vehicles, and high-technology airborne electronics.

He is noted not only for his leadership ability, but also for the friendly, down-to-earth manner in which he carried out his responsibilities.

General Gillis served in a number of Air Force assignments, including a tour of duty with the 45th Tactical Reconnaissance Squadron in South Vietnam, where he flew 100 combat missions and 170 functional test missions in RF-101A/C aircraft.

His military awards and decorations are numerous, including the Distinguished Service Medal; Legion of Merit; Meritorious Service Medal with oak leaf cluster; Air Medal with four oak leaf clusters; Air Force Commendation Medal with two oak leaf clusters; Air Force Outstanding Unit Award with "V" device and oak leaf cluster; Air Force Organizational Excellence Award with oak leaf cluster; Combat Readiness Medal; Good Conduct Medal; National Defense Service Medal; Vietnam Service Medal with five service stars; Air Force Longevity Service Award Ribbon with eight oak leaf clusters; Philippine Presidential Unit Citation; Republic of Vietnam Gallantry Cross with palm, and Republic of Vietnam Campaign Medal.

Mr. Speaker, General Gillis will be missed at the Warner Robins Logistics Center. But he will now have an opportunity to make contributions to his country and his fellow man in other ways. Along with his many friends in middle Georgia, I want to thank General Gillis for all he has done for middle Georgia and to extend our best wishes for many productive and happy years ahead.

## TRIBUTE TO PETE KELLY

**HON. DAVID E. BONIOR**

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. BONIOR. Mr. Speaker, on the evening of June 19, 1992, Pete Kelly will be honored at a special dinner at the Gourmet House. I am very pleased to join UAW Local 160 in honoring a longtime friend of the working men and women of our community.

In many ways, Pete Kelly has come to symbolize our commitment to fairness and justice in the workplace and society. For many years, Pete has been an important figure and voice in the labor movement in Michigan. His long record of distinguished service has proven him to be a natural and effective leader. Pete's vision and guidance have always impressed those of us who have had the privilege to know and work with him. His contributions will be truly missed.

Mr. Speaker, on this special occasion of his retirement, I ask that my colleagues join me in saluting Pete Kelly's many years of service and dedication to the labor community in Michigan.

TRIBUTE TO BURNS-UNION HIGH SCHOOL

HON. ROBERT F. (BOB) SMITH

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. SMITH of Oregon. Mr. Speaker, I am pleased to rise today to pay tribute to Burns-Union High School in eastern Oregon. As a school with an enrollment of 341 students, nestled in a community of 3,000, many here today would believe it would be fighting, as many schools in our Nation, a disease whose symptoms reflect a shortage of funds, high drop-out rate, drug affliction, and a lack of community support and guidance. However, Burns High School is setting the pace for both rural and urban schools throughout our country. Recently, the school was honored as one of America's Best in Redbook's First Annual High School Report. The report highlights 140 exceptional public secondary schools throughout the country which exemplify an academic curriculum conducive in the development of a student's ability to meet the needs of the next century. Moreover, Burns High School has the distinction of being the only school in Oregon to twice receive the Department of Education's Blue Ribbon Schools National Award of Excellence. An award based upon a school's success in furthering intellectual growth while developing an effective working relationship between the school, parents, and local community.

As America grapples with educational reform, Burns High School is successfully implementing President Bush's America 2000 agenda, meeting the six national goals established by the Department of Education, and returning educational reform decisions and responsibility back to the local community. The school boasts a low drop-out rate, fosters a school-community drug support and awareness program, integrates the application of technology into the classroom, and advances one of the leading geographic and arts curriculum in the State where instructors have been with the school for over two decades. Yet, it is the link with the Burns community that strengthens the school's overall excellence in education. The community, embodied by blue-collar mill workers and ranchers, is financially hard pressed by years of drought and recent timber shortages. However, the zeal for effective schooling has led the community to routinely pass

school budgets and establish a viable partnership between the local businesses and the school. Clearly, Burns High School, backed by a determined community, has embraced an educational path to prepare students to meet the future demands of community, State, and a Nation.

Mr. Speaker, as a permanent resident and active member in the Burns community and a Burns High School graduate, I stand before you to commend a school and community on the frontier of educational leadership. The winds of change have been blowing in eastern Oregon for years. It's now time for the Nation to take heed and initiate educational reforms to lead all our children into the 21st century.

TEDDY BALLGAME

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. IRELAND. Mr. Speaker, indeed there was major news in America last week. It occurred in San Diego, CA. The city of San Diego saluted one of its greatest sons, Ted Williams. First, the city government decreed that a major highway would be renamed Ted Williams Parkway. The huge, beautiful, green directional signs are already up. The green has major significance, of course, for all the Nations Fenway faithful.

The day after the highway ceremony, the major leagues held their annual All-Star Game. At that game, Ted Williams was given the honor of throwing out the ceremonial first pitch in his hometown. Mr. Speaker, I needn't take up the time of the House to discuss Ted Williams' contributions to this Nation in both the patriotic and sports arenas. Last year he received the Presidential Medal of Freedom and his hometown and major league baseball have honored him in two unique ways this year. Ted deserves these honors and more. Ted Williams, an American hero and patriot for this or any age.

TRIBUTE TO JOHN C. STONE

HON. BOB LIVINGSTON

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. LIVINGSTON. Mr. Speaker, I rise today to pay special tribute to a native Louisianian who is leaving public service to rejoin the private sector.

John C. Stone, known to his friends and colleagues as Jay, recently announced that he is leaving the U.S. Department of Energy to become vice president of Van Scoyoc Associates, Inc., a Washington government affairs consulting firm.

The country is losing a distinguished and respected public servant. Jay has spent the last 17 years in various public positions—as administrative assistant to former Congressman W. Henson Moore, as the Washington liaison for the State of Louisiana, as special assistant to President Reagan for legislative affairs, and

as executive assistant to the Deputy Secretary of Energy. He achieved these high positions in the government because of his hard work, his dedication to free market principles, and his uncompromising honesty.

Those of us fortunate enough to work with Jay over the years on issues of energy, health, taxes, appropriations, and many others can testify to his integrity, his intelligence, and his preparedness. He has spent many long hours doing staff work that is not often appreciated except by elected and appointed officials who depend on people like Jay. He has never sought public recognition for himself, but has just enjoyed the satisfaction of a job well done. He is one of the unsung heroes of this city and his contribution to the making of public policy will be missed.

Jay's return to the private sector will be a successful one, I am certain, and I wish him all the best. Our State and our country is better off because of his service to the public. I take great pride in saluting him today.

CONGRESS SHOULD TAKE QUICK ACTION ON NUCLEAR NON-PROLIFERATION LEGISLATION

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. STARK. Mr. Speaker, with the end of the cold war and the collapse of the Soviet Union, nuclear proliferation is now clearly the leading threat to U.S. national security.

At all costs, we must prevent a dictator like Saddam Hussein from building the bomb—this must become a policy priority. Yet for many years most of us have closed our eyes to this threat, allowing Iraq to come within months of having nuclear weapons.

Over the years, the United States has steadily tightened up its export controls on sensitive nuclear technology while pushing our allies to do the same. Unfortunately, far too many loopholes remained. From the U.N. inspections in Iraq, we now have extensive documentation of Western companies—some from the United States, but mostly from Europe—assisting Saddam in his nuclear ambitions.

Four steps are vital to reducing the proliferation threat:

First, we must further strengthen our export controls on sensitive nuclear and dual-use technology and urge other major industrial countries, especially in Eastern Europe and the former Soviet Union, to do the same.

Second, we should apply sanctions on foreign companies which assist other countries in building nuclear weapons.

Third, we should attempt to strengthen the International Atomic Energy Agency's [IAEA] non-proliferation safeguards and inspections.

Fourth, we should seek to phase out the use of bomb-grade nuclear material, such as plutonium and highly enriched uranium, for civilian purposes around the world.

Fortunately enough, there are currently pending before Congress three initiatives which, if passed, would go a long way toward achieving these critical objectives. These are:

The Omnibus Nuclear Proliferation Control Act of 1992, S. 1128 introduced by the gentleman from Ohio, Senator GLENN, the long-time leading expert on nuclear non-proliferation policy in the Congress. This bill would add a wide array of sanctions on companies, financial institutions, and countries which help further the proliferation of nuclear weapons. This important legislation passed the Senate on a voice vote in April. I added some provisions of S. 1128 to H.R. 5100, the Trade Enhancement Act, when it came before the House Ways and Means Committee. H.R. 5100 passed the House earlier this month, and is currently pending in the Senate.

The Nuclear Proliferation Prevention Act, H.R. 2755, introduced by my colleagues from Massachusetts, Mr. MARKEY, New York, Mr. SOLOMON, Michigan, Mr. WOLPE, and myself. H.R. 2755 would strengthen U.S. export controls, phaseout U.S. exports of bomb-grade uranium, and direct the President to seek other countries to adopt similar controls. If foreign companies or countries then violate these newly adopted international controls, the President is directed to apply sanctions on them. This bill was added to the Export Administration Reauthorization, which is currently pending in House-Senate conference.

A joint resolution outlining 21 steps to strengthen the International Atomic Energy Agency, House Joint Resolution 351 in the House and Senate Joint Resolution 216 in the other body. This initiative was developed by myself and the gentleman from Ohio, Senator GLENN, with whom I was very pleased to work on such an important issue. This legislation is currently pending in the House and the Senate.

Mr. Speaker, I say to my colleagues and the administration that we are running out of time this year to address this critical issue. We should act immediately on at least one, if not all three of these important initiatives before the next Saddam really does build the ultimate weapon.

TRIBUTE TO EIVIND H. "IVY"  
JOHANSEN

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. LANTOS. Mr. Speaker, it is my privilege and pleasure to commend Eivind H. "Ivy" Johansen upon his retirement as president of the National Industries for the Severely Handicapped [NISH]. Since taking the helm in 1979, Ivy has been an excellent leader of this progressive and effective agency.

As chairman of the Government Operations Subcommittee on Employment and Housing, with jurisdiction over the Javits-Wagner-O'Day Act [JWOD] under which NISH acts as a supporting non-profit agency, I have come to know about the work that NISH has done under the able leadership of Ivy Johansen.

JWOD's programs provide jobs for Americans who are blind or have severe disabilities by setting aside government contracts which are suitable to the capabilities of these individuals. Everybody wins: JWOD gives much

needed work to people who have severe disabilities, most of whom are unwillingly unemployed; and the government gets quality products and services—to exact Federal specifications and delivered on time at fair market prices. The American taxpayer saves doubly, because JWOD turns individuals who otherwise would be tax users into taxpayers.

The role of NISH within the JWOD program is to help the non-profit rehabilitation agencies who employ people with severe disabilities to obtain government contracts and then satisfactorily meet these contracts for goods and services. In 1990, 17,140 persons with severe disabilities were employed at 398 NISH affiliates throughout the Nation.

The program continues to grow. In the past year, new Federal contracts were approved with expected employment for 3,440 more individuals. These figures are all quadruple what they were when Ivy became CEO of NISH 13 years ago.

After a successful Army career, Ivy retired as a three-star general despite a personal appeal by the Chief of Staff of the Army that he reconsider his decision to leave the military. In 1979, Ivy joined 5-year-old NISH in order to continue with his interest in procurement programs for the severely disabled which began with his assignment in the early 1960's with the Quartermaster General's office providing support for JWOD's administrating agency.

In many respects, the history of NISH and its accomplishments is a record of Ivy's personal achievements. The professional standards and work ethic he brought with him to his new career were impeccable. Having taken the reins of an organization that was having to borrow money to meet its payroll, he turned it around with his intensive management style and attention to detail.

The JWOD Act itself, quality management of the NISH staff, and the readiness of the rehabilitation community to participate in the JWOD program were all essential elements of success—but there was one more piece of the equation which was needed to achieve results: the support of the Federal procurement agencies which purchase the products and services required by the government.

There is no doubt that the outstanding reputation of integrity and professionalism that Ivy earned while serving in the Army helped to open doors for him as he sold the JWOD program to government procurement agencies. He did not rely on favors or arm twisting.

Knowing that procurement officers are interested in quality products and services delivered on time and at fair prices, Ivy concentrated NISH's resources to ensure that goods and services provided through JWOD not only met these requirements, but exceeded the performance of commercial contractors. This policy has paid large dividends over the years—dividends expressed by procurement agencies that now seek out JWOD producers as a source of supply.

I know I speak for Ivy and everyone associated with the JWOD program in citing the proudest aspect of JWOD contracts. JWOD has meant jobs to thousands of Americans with severe disabilities. Last year's payroll for NISH employees was \$60 million.

In the last 10 years of Ivy's tenure at NISH, some \$345 million in wages were paid all

told—the average wage is \$5 per hour, with vacation, health and welfare fringe benefits in addition for individuals severely handicapped and often unable to find any type of employment in the private sector.

Yet with training and experience, some of the severely disabled workers on JWOD contracts graduate to mainstream employment where employers rate disabled workers very favorably in terms of low turnover, low absenteeism, high morale, and dedication.

Last year's national emergency of Desert Storm proved that people who have severe disabilities can still get the job done. Department of Defense officials commended the JWOD team for taking quick action and ensuring timely deliveries and for providing some of the finest support to the armed services our country can offer. As a retired Army lieutenant general, Ivy was proud of all the JWOD employees who rose to the extraordinary demands dictated by the gulf war.

Mr. Speaker, as a result of Ivy's leadership, thousands of individuals with severe disabilities are participating in the American dream—work, independence, and most of all dignity. This is a legacy that anyone would be proud of. I commend Ivy for his dedication and leadership and I ask my colleagues to join me in paying tribute to him today.

A SPECIAL TRIBUTE TO CURTIS G.  
MATTHEWS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. STOKES. Mr. Speaker, I am saddened to inform my colleagues of the recent passing of Curtis G. Matthews. For many years he operated Matthews Apothecary in Washington, DC. On Thursday, July 23, 1992, family, friends, and colleagues will gather at DuPont Park Church to celebrate the life of Dr. Matthews. I want to share with my colleagues some of the highlights of his distinguished career.

Curtis G. Matthews was born in Bessemer, AL. Upon completion of high school, he joined the U.S. Marine Corps, where he achieved the rank of staff sergeant. Following his discharge from the Marine Corps, Curtis Matthews embraced pharmacy as his career choice. He graduated from the Howard University School of Pharmacy.

For nearly 25 years, Matthews Apothecary was open to the Washington metropolitan community. As a pharmacist, Dr. Matthews earned a reputation as a hard worker, a caring individual, and a good friend to all who knew him. While operating Matthews Apothecary, he also served as an instructor at his alma mater. In addition, Dr. Matthews is the author of numerous articles on disease and medicine. After his pharmacy closed its doors, Dr. Matthews went to work at Walter Reed Army Medical Center. He retired in October 1991 after 12 years of dedicated service.

Mr. Speaker, Dr. Matthews leaves to mourn his passing his loving wife, Montrose, and his daughter, Sharon. In addition, he leaves a host of family members, colleagues, and

friends who will always remember his kind smile and words of encouragement. Although we are saddened to note the passing of Dr. Matthews, we know that he will never be forgotten. I extend my deepest sympathy to the Matthews family during this time of sorrow.

#### JUNE IS TURKEY LOVERS' MONTH

### HON. TIMOTHY J. PENNY

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. PENNY. Mr. Speaker, the U.S. turkey industry has grown significantly and changed dramatically during the last half-century, but one thing has remained constant: Minnesota has continued to be one of the industry's undisputed leaders in production, innovation, and technology.

That's why I'd like to join Governor Arne Carlson in congratulating the Minnesota Turkey Growers' Association and the National Turkey Federation on their recently completed, highly successful "June is Turkey Lovers' Month" campaign.

The most recent USDA figures tell the story of Minnesota's heavy involvement in the turkey industry. Last year alone, more than 46 million turkeys were raised in our State, making Minnesota the second-largest turkey producing State in the Nation. Our production represents 16 percent of the total U.S. production.

And, since many of the turkeys grown in Minnesota are grown in my district, I also can attest personally to the positive economic impact the industry has on our State. The industry employs more than 50,000 people statewide—both directly and indirectly—and production generates more than \$298 million in annual gross value for more than 500 farms across the State.

Minnesotans take great pride in those numbers, and they know their leadership role didn't happen by accident. It took a tremendous amount of hard work and dedication to build the modern turkey industry, and Minnesota's turkey growers and processors are determined to translate those past successes into an even brighter future. That's one reason more Minnesota turkey growers have served as president of the National Turkey Federation than any other State. Consider this honor roll:

John Wickliffe, 1989; Vance Larson, 1986; John Holden, 1985; Glen Harder, 1977; Lloyd Peterson, 1970; Glen Thurnbeck, 1960; and Graydon, McCulley, 1949.

With turkey consumption rising rapidly across the State, and across the Nation, I have every confidence the turkey industry will enjoy success for many years to come. I am equally confident that you will see many, many Minnesotans playing a key role in that success story.

Thank you, Mr. Speaker, and again, congratulations to the Minnesota Turkey Growers Association and the National Turkey Federation for another successful "June is Turkey Lovers' Month" campaign.

#### EXTENSIONS OF REMARKS

### A TRIBUTE TO THE MEMORY OF OPAL CHAPMAN, TEACHER

#### HON. ROD CHANDLER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. CHANDLER. Mr. Speaker, I rise today to remember and share with my colleagues the memory of a dear lady, one of my high school teachers. Opal Chapman passed on recently after an extended illness. She was 86 years of age.

For those of us who attended La Grande High School in the 1950's and 1960's, Mrs. Chapman was far more than a teacher. She was a friend and an inspiration. She brought a contagious spirit to the classroom with a warmth and enthusiasm which attracted us to the poetry, literature, and writing lesson of the day. Her teaching career spanned a 40-year period and included assignments in Lostine and Medford, OR, Emmett, ID and, of course, La Grande.

If she were not around, we students affectionately called her Opal. But we admired and respected her far too much to be so informal in her presence. We had fun in her class but it was because she made the lessons enjoyable. If a student did something funny, she enjoyed the heartiest laugh. But it was back to business then, and business was appreciating the great writers and story tellers of the ages.

I can say in all honesty that I probably would not be standing here in the United States House of Representatives today had it not been for Opal Chapman. In the hot summer of 1982 my first congressional campaign was really struggling. We were engaged in a spirited primary against two exceptional opponents and voters were slow to decide their favorite. Funds were difficult to raise and volunteers were distracted by an unusually warm and pleasant summer in the Pacific Northwest. It was so bad that a lot of my supporters and advisers wanted to fold the campaign and quit. I needed a dose of encouragement and the memory of my high school English teacher was all it took.

As I pondered what to do, I recalled the winter day in 1959 when Mrs. Chapman had become exasperated with my poetry reading performance. She wanted classmates to interpret the work, capture the feeling, and read the poem as the author had intended. But I was a basketball star and, in my view, big guys like that did not read poetry with feeling. Well, not only did Mrs. Chapman think otherwise, but she cared enough about her student to push him beyond his self-imposed limits. It was to become an inspiration I would never forget.

She took me out to the hallway—just the two of us—away from the snickers of a room full of teenagers. She poked me in the chest, rising on her tiptoes to reach her gangly poetry reader:

Rod Chandler, if you would ever live up to half your potential, you would really amount to something.

Those were her exact words and her admonition has served to inspire me on numerous occasions. Not only did I go back to class and give that poem a shot, but in July of 1982,

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with Opal Chapman's words ringing in my memory, I recommitted myself to the congressional campaign. And won.

In the spring of 1982 I was the commencement speaker at La Grande High. Of course, I related to the graduates my experience with all the good teachers of LHS. But I made a special point of relating the poetry-reading incident and expressing to those students the great affection I held for Opal Chapman.

To my delight—and no surprise at all—Mrs. Chapman was there in the audience that night. She had been retired for years but she still was interested in "her kids." And, having been a speech teacher, you can bet she wanted to hear the remarks of one of her former students who put her lessons to work every day in a political career. That night she heard me share an experience with the graduates which had helped shape my life. She knew, from my testimony, how giving of herself had produced a profound impact on a young man who needed loving encouragement at a time when lives are shaped and molded—cast for years to come. Yes, she remembered it too, but she had no idea how moving the experience had been to me.

American authors and fine poetry were far more important to Mrs. Chapman than basketball teams or big tournaments. But she understood her students and she knew exactly how to weave the thread of her courses into the entire education experience. She did so with grace, dignity, and good humor.

She lived a long life and touched many souls, mine just one among them. She was devoted to her husband Lloyd. And, she was a mother. Her son Jim was an exceptional student, especially in the technical fields—math and science. She was very proud of him. She was also a devoted member of her beloved United Methodist Church. I never heard of anyone who did not like her.

If God sets aside a special place in heaven for gentle, loving people who make a difference, I sure know where Opal Chapman is right now.

As I complete this tribute to her, one question sticks in my mind. What grade would she give me? I can just hear her.

"Rod, it is very good but I know you can do better." A pat on the back and a challenge for next time. She most certainly would "red-line" that incomplete sentence. What a wonderful lady. What a tremendous teacher. Thank you, Opal.

### TRIBUTE TO THE NEW HAMPSHIRE MUSIC FESTIVAL ON ITS 40TH ANNIVERSARY

#### HON. DICK SWETT

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. SWETT. Mr. Speaker, I rise today to extend my warmest congratulations to the New Hampshire Music Festival, which is this year celebrating 40 years of music making for the people of New Hampshire.

For four decades the festival has been dedicated to filling our lives with music, bringing to New Hampshire a variety of orchestral pro-

grams, chamber concerts, and solo artists. In the summer, the festival's high season, musicians from all over the country come together for 6 weeks in Plymouth and Gilford, NH, to make up the festival orchestra, the oldest professional orchestra in the State. During the rest of the year, local groups come to provide the area with nearly 300 classical performances, and the festival continues its commitment to education throughout central and northern New Hampshire through its Music-in-the-Schools Program.

The festival's outstanding work is well known and recognized. In just the past 15 years, the New Hampshire Music Festival has received eight awards from the American Society of Composers, Authors and Publishers for its programming, and it has been honored with the corporate fund's "Excellence in Management" award for its strong fiscal management and contribution to New Hampshire communities.

Mr. Speaker, I ask my colleagues to join me in paying tribute to the New Hampshire Music Festival on this, their 40th year anniversary. Music truly enriches our lives, and we appreciate the dedication of the New Hampshire Music Festival in sharing the glories of music with us.

UPON THE OPENING OF MERCY  
SOUTHWEST HOSPITAL IN BAKERSFIELD, CA

**HON. WILLIAM M. THOMAS**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, July 21, 1992*

Mr. THOMAS of California. Mr. Speaker, it is with great pleasure that I announce the opening of a new hospital in my district, Mercy Southwest Hospital.

For over 80 years Mercy Healthcare Bakersfield has provided quality health care to the citizens of Kern County, since the first Mercy Hospital was founded by the Sisters of Mercy in 1910. The medical and administrative staff of Mercy Healthcare Bakersfield provide outstanding medical care in a spirit of dignity and hospitality.

To meet the growing need for health care in Kern County, Mercy Healthcare Bakersfield has opened a second hospital in Bakersfield. This 67-bed facility will focus on the delivery of convenient, cost-efficient medical services—birth center, pediatric unit, surgical services, medical center, diagnostic and support services—to the growing number of Kern County residents. In addition, the new hospital, located next to California State University at Bakersfield, will provide educational services to the next generation of health care providers.

Mercy Southwest Hospital, with an emphasis on outpatient and short stay services and on filling the need for prenatal and pediatric services in the county, represents a milestone in the provision of quality health care services in Kern County. I am proud to recognize the outstanding efforts of the hospital administrator and its staff in bringing this vital project to its fruition.

RECOGNITION OF THE VETERANS  
ADMINISTRATION MEDICAL CENTER  
IN PROVIDENCE, R.I.

**HON. RONALD K. MACHTLEY**

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, July 21, 1992*

Mr. MACHTLEY. Mr. Speaker, I rise today in recognition of the outstanding standards and qualifications of the Veterans Administration Medical Center in Providence, RI, which has earned the hospital special commendation as one of the top 6 percent of accredited VA facilities in the Nation.

I proudly credit this success to the hard work and attention to detail of each and every staff member at the VA hospital. The medical center serves honorably discharged veterans with an extraordinary record of exceptional dedication to quality care. The services provided by the VA hospital are indispensable to the veterans who have served our Nation with valor. To this community a commitment to excellence in medicine and in patient care is essential and also greatly appreciated.

Again, I congratulate Director Edward H. Seiler and the efforts of the entire staff at the Providence VA Medical Center and thank them for all that they have contributed to the community. I admire the pride they take in demanding perfection at their facility and the select rating they have achieved is due reward. I wish the best for all the staff members in their future endeavors.

TRIBUTE TO DR. ELLEN SHULMAN  
BAKER

**HON. JAMES H. SCHEUER**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, July 21, 1992*

Mr. SCHEUER. Mr. Speaker, all Americans were proud when, on July 9th, the space shuttle Columbia landed after setting a record for the longest American flight and performing many important scientific and medical experiments.

However, the people of Queens County and, in particular, the Bayside community are justified in feeling special gratification and delight because one of the seven crew members was Dr. Ellen Shulman Baker, who grew up in the area and, we are all pleased to note, still considers the neighborhood her hometown.

Dr. Baker graduated from local public and intermediate schools and Bayside High School. As a youth, she was involved in community programs and sports organizations.

She continued her education in New York State, receiving a bachelor of arts degree in geology from the State University of New York at Buffalo in 1974, and a doctorate of medicine from Cornell University in 1978.

She began her service to the Nation with NASA in 1981 as a medical officer assigned to the Flight Medicine Clinic at the Lyndon B. Johnson Space Center before being selected to become an astronaut in 1984, completing her training the following year.

As a crew member aboard the Shuttle Orbiter Atlantis in October 1989, she played a

key role in the deployment of the Galileo spacecraft.

During Columbia's record-smashing journey of 14 days, 5.76 million miles, and 221 orbits, Dr. Baker and other crew members performed experiments in medical research which will benefit all mankind, assured the safety of future space flights, and broadened our knowledge in several fields of science.

I am confident the entire House joins me in paying tribute to this courageous, dedicated American and NASA astronaut.

INTRODUCTION OF LEGISLATION  
REGARDING FIREARM VIOLENCE

**HON. CHARLES E. SCHUMER**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, July 21, 1992*

Mr. SCHUMER. Mr. Speaker, today I am introducing three bills which will make law enforcement more effective in stemming the rising tide of firearm violence that currently afflicts our country.

The first bill, the "stop rearming Felons Act of 1992," will help keep firearms out of the hands of convicted felons. The bill would amend title 18 of the United States Code to prevent certain convicted felons from regaining access to firearms. Under current Federal law it is generally unlawful for a convicted felon to possess a firearm. However, the law was amended in 1986 to allow the definition of conviction to be determined according to the law of the jurisdiction in which the proceedings were held. The 1986 amendment also provided that any conviction which has been expunged, set aside, or for which a person has been pardoned or has had civil rights restored, shall not be considered a conviction for purposes of this chapter unless such pardon, expungement, or restoration of civil rights expressly provides that the person may not ship, transport, possess, or receive firearms. In other words, if the State restores the felon's right to possess firearms, by whatever summary procedure it chooses, then the felon's Federal firearm disabilities are nullified as well and he may once again legally possess firearms under both State and Federal law—Federal law is effectively frustrated.

The problem with the current act is that many states allow restoration of firearms rights with little or no individual review. In some cases, the offender can literally go from his jail cell to a gun shop and legally purchase a weapon.

The lack of uniformity in state law in regard to imposition of and relief from firearm disabilities resulting from a criminal conviction creates serious problems for Federal law enforcement officials. For instance, while most States prohibit possession of all firearms by those convicted of felonies, 13 States only place restrictions on a felon's right to possess certain types of guns, and 3 States impose absolutely no firearm restrictions on those convicted of a felony. Moreover, while some states require careful review by a judicial or administrative body before granting relief from firearm disabilities, some states automatically grant relief without review after a certain period of time or upon completion of the sentence.

Since Federal firearms disability is contingent upon these disparate State practices, the Federal Government's efforts to prevent felons from possessing firearms are severely hindered. The fact that last year over a half a million innocent American citizens were confronted by criminals armed with handguns illustrates all too clearly the pressing need for Federal/State cooperation on this issue.

To eradicate these problems in enforcement and prosecution today I have introduced a bill which would permanently bar anyone convicted of a violent or serious drug felony from legally possessing firearms under Federal law. For offenders convicted of other felonies, they would only be eligible for restoration of their firearms privileges if the State restoration procedure involved an individualized review and assessment of the offender's suitability. This will ensure that no felons have their firearm rights restored automatically, without a review.

The second bill I am introducing today, the "Firearm Law Enforcement Assistance Act of 1992", would make it easier for law enforcement officials to enforce the federal firearms laws and keep guns out of the wrong hands. This bill would require federally licensed gun dealers to inform local law enforcement officials whenever two or more handguns are purchased by the same person within a 30-day period. Current law requires reporting to the treasury secretary only if the multiple dispositions occur within a 5-day period. This period is insufficient, because it would allow a person to legally purchase a gun every six business days which could result in the accumulation of 7 handguns in a mere month-long period without triggering any reporting requirements. By the time BATF noticed these peculiar multiple sales in their annual review of the gun dealer's sales records, it would be too late to prevent the purchaser from reselling the arms to criminals or to the ever-widening black market. It is necessary to alert local law enforcement officials of multiple sales to enable them to take immediate action if they suspect illegal redistribution or use in criminal activity.

This bill would also require that applicants for Federal firearms licenses must demonstrate compliance with all State and local requirements imposed on firearms dealers. In addition, the application must include a statement from the chief of police of the locality, or the sheriff of the county, in which the applicant will conduct such business. This statement shall certify that there is no information currently available to indicate that the applicant is ineligible to obtain such a license under the law of the State or locality. Such measures are necessary, because the current application standards are too lax. If we are serious about keeping guns out of the hands of criminals, then we must enact tougher standards for gun licensing such as the ones contained in this bill.

The third bill I am introducing today, the "Firearms Tracing Assistance Act of 1992," would help BATF officials gain immediate access to firearms tracing information when in-

vestigating a criminal offense involving a firearm. This would enable agents to more quickly identify violent offenders and place them in custody.

The bill would require Federal firearms licensees to provide such firearms record information as may be necessary to aid in the tracing of firearms in the course of a law enforcement investigation. This bill adds no new recordkeeping requirements—licensees are already required to keep and report this information. The bill merely allows BATF to promulgate regulations to establish convenient access to this information when needed by law enforcement. Because BATF is legally prohibited from keeping a centralized computer data base of firearms transactions, tracing a weapon used in a crime is time-consuming, labor-intensive, and ultimately impossible without the prompt cooperation of the gun manufacturer and dealer. This bill gives BATF the ability to guarantee this cooperation.

H.R. 5634

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

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Stop Rearm- ing Felons Act of 1992".

#### SEC. 2. CLARIFICATION OF DEFINITION OF CONVICTION.

Section 921(a)(20) of title 18, United States Code, is amended—

- (1) in the 1st sentence—
  - (A) by inserting "(A)" after "(20)"; and
  - (B) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;
- (2) in the 2nd sentence, by striking "What" and inserting the following:
 

"(B) What"; and

(3) by striking the 3rd sentence and inserting the following:

"(C) Any State conviction which has been expunged or set aside, or for which a person has been pardoned or has had civil rights restored, shall not be considered a conviction for purposes of this chapter if—

"(i) the expungement, set aside, pardon, or restoration of civil rights applies to a named person and expressly authorizes the person to ship, transport, receive, and possess firearms; and

"(ii) the State authority granting the expungement, set aside, pardon, or restoration of civil rights has expressly determined that the circumstances regarding the conviction, and the person's record and reputation, are such that—

"(I) the applicant will not be likely to act in a manner dangerous to public safety; and

"(II) the granting of the relief would not be contrary to the public interest.

"(D) Subparagraph (C) shall not apply to a conviction of a violent felony (as defined in section 924(e)(2)(B)) or of a serious drug offense (as defined in section 924(e)(2)(A))."

H.R. 5633

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

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Firearms Law Enforcement Assistance Act of 1992".

#### SEC. 2. REPORTING OF MULTIPLE FIREARMS SALES.

Section 923(g)(3) of title 18, United States Code, is amended—

(1) by striking "five" and inserting "thirty"; and

(2) by adding at the end the following: "Each licensee shall forward a copy of the report to the chief law enforcement officer of the place of residence of the unlicensed person not later than the close of business on the date that the multiple sale or disposition occurs."

#### SEC. 3. COMPLIANCE WITH STATE AND LOCAL FIREARMS LICENSING LAWS REQUIRED BEFORE ISSUANCE OF FEDERAL FIREARMS LICENSE.

Section 923(d)(1) of title 18, United States Code, is amended—

(1) by striking "and" at the end of subparagraph (D);

(2) by striking the period at the end of subparagraph (E) and inserting "; and"; and

(3) by adding at the end the following:

"(F) in the case of an application for a license to engage in the business of dealing in firearms—

"(i) the applicant has complied with all requirements imposed on persons desiring to engage in such a business by the State and political subdivision thereof in which the applicant conducts or intends to conduct such business;

"(ii) the business to be conducted pursuant to the license is not prohibited by the law of the State or locality in which the business premises is located; and

"(iii) the application includes a written statement which—

"(I) is signed by the chief of police of the locality, or the sheriff of the county, in which the applicant conducts or intends to conduct such business, the head of the State police of such State, or any official designated by the Secretary; and

"(II) certifies that the information available to the signer of the statement does not indicate that the applicant is ineligible to obtain such a license under the law of such State and locality."

H.R. 5632

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

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Firearms Tracing Assistance Act of 1992".

#### SEC. 2. FIREARMS TRACING.

(a) PROVISION OF RECORD INFORMATION.—Section 923(g) of title 18, United States Code, is amended by adding at the end the following:

"(6) Each licensee shall, at such times and under such conditions as the Secretary shall prescribe by regulation, provide all record information required to be kept by this chapter, or such lesser information as the Secretary may specify, as may be required for determining the disposition of a firearm in the course of law enforcement investigation."

(b) NO CRIMINAL PENALTY.—Section 924(a)(1)(D) of such title is amended by adding at the end the following: "except section 923(g)(6)".