

EXTENSIONS OF REMARKS

A CAPITAL GAINS PRIMER

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1992

Mr. PEASE. Mr. Speaker, the New Republic recently printed an article by Michael Kinsley which outlines why a cut in the tax rate on capital gains is not needed. The piece dispels many of the myths regarding the taxation of capital gains.

I commend this article to my colleagues.

[From the New Republic, Feb. 10, 1992]

A CAPITAL GAINS PRIMER

(By Michael Kinsley)

My first signed article in this magazine, in 1977, was a plea to Congress not to cut the capital gains tax. But did they listen? No. The capital gains battle has continued for fifteen years. Both sides have won skirmishes. Our side's great moment was the 1986 tax reform, which eliminated the special break for capital gains, among other loopholes, in exchange for lower tax rates on all income. By coincidence the top tax rate on capital gains now stands at 28 percent—the same rate to which it was cut back in 1977. But President Bush has been trying for his entire presidency to enact a new capital gains tax cut. He says it is central to hopes for economic growth. And even many Democrats, on Capitol Hill and the presidential campaign trail, favor some kind of capital gains break—usually limited or "targeted" in some way.

This bad idea just won't go away. One reason is that debates over tax arcana tend to be dominated by those who understand them, who tend to be those who benefit from them. A new capital gains break will overwhelmingly benefit the well-to-do. According to the congressional Joint Tax Committee, Bush's proposal amounts to an average \$12,500 tax cut for people making over \$200,000 a year. That is not a fatal defect. If it spurred economic growth, the unfairness would be worth it and could be mitigated in other ways. But all honest logic says that a capital gains tax break is bad economics. Here's why.

The basic concept is called tax neutrality. Economies function best when taxes are designed to affect economic decisions as little as possible. Alternative forms of labor and alternative outlets for capital should be taxed the same. If you tax butchers more than bakers, you'll get fewer butchers and more bakers. If you tax one form of investment more than another, money will flow out of the first and into the second. If you tax capital a lot less than you tax labor, you are artificially encouraging the replacement of people by machine.

Of course this argument assumes that the free market allocation of labor and capital is the correct one. You are free to challenge that assumption. But if you do, you must explain why the government should be able to do the job better. And you are earning a label—"central planner" or even "social-

ist"—that most advocates of a capital gains break certainly don't want. A capital gains break is an "industrial policy." It replaces the invisible hand of the market with the heavy hand of government.

There is nothing metaphysically unique or morally superior about capital gains—profits on the sale of a capital asset (stock, real estate, gold coins, etc.)—compared with other forms of investment income. Giving special tax treatment to capital gains is doubly wasteful. First, it misdirects capital to places that capital otherwise wouldn't go. The currently empty office buildings thrown up in the 1980s are a testament to this phenomenon. Second, vast sums of money and reservoirs of human ingenuity are consumed in the effort to turn ordinary income into capital gains—the essence of tax shelters.

That is why all proposals for a capital gains break, the stupidest are those that would pay for it by raising the top tax rate on other income. The bigger the gap between artificially favored and disfavored activities, the more the inefficiency and waste. But all capital gains break proposals are foolish enough.

So that's the case against, in a nutshell. But the argument gets far more intricate. Here are some of the feathers and furbelows.

But what about inflation? It's true that the tax treatment of capital does not account for inflation. If you sell a share of stock you've held for many years, you pay tax on your entire nominal profit, even though the dollars you get back are worth less than the dollars you invested originally. But the same is true of all forms of investment profit. Interest, for example. If you're getting 8 percent interest at a time of 3 percent inflation, you're really only earning 5 percent but you pay taxes on all 8.

Capital gains already enjoy a tax advantage over interest: you only pay tax when the investment is liquidated, instead of every year. Meanwhile, the profit compounds tax-free. It makes a big difference. Compare two investments, both yielding 10 percent a year for twenty years: one in the form of interest, one in the form of capital gain. The after-tax profit on the capital gain will be 45 percent larger. This goes a long way toward cushioning the blow of inflation.

Furthermore, the tax treatment of borrowing costs is not indexed for inflation either. If you're paying 8 percent interest on a business loan, you get to deduct the whole 8 percent even if 3 percent of that represents erosion of the lender's principle through inflation. To account for inflation only in the tax treatment of capital gains, while ignoring these other matters, would create a nightmare of loopy incentives. People would choose 6 percent returns over 8 percent returns. People would even borrow at 8 percent to invest at 6 percent. The economy would be distorted, the Treasury would bleed, accountants would grow rich.

Perhaps the whole tax code should be indexed for inflation. But no one is suggesting that, because it would be viciously complex. The better solution is the one Fed Chairman Alan Greenspan has almost engineered: eliminate inflation. Then the tax problem goes away.

But what about these Democratic proposals for a "targeted" capital gains break? Aren't they OK? In two words, "fraid not. These schemes generally would limit a capital gains break to investments in new companies or long-term investments or investments in certain industries. The idea is to focus the tax benefit on particularly desirable forms of investment rather than scattering it to the winds. Give the break to the gal who founds a new company, not to the one whose shares of General Electric happen to go up. What's wrong with that?

One problem is definitional. What is a "new" business? Lawyers and accountants will manipulate any definition to defeat its intended limits. But, in tax policy as elsewhere, definitional problems indicate conceptual problems. Why should something important (like a lot of money) turn on a concept you have trouble defining?

There is nothing inherently creative or entrepreneurial about new businesses per se. Why favor a new McDonald's franchise over a promising initiative by an established company? Nor is there any reason to reward people who buy "new" issues of stock as opposed to those who buy stock that's been previously issued. The point is that whenever you use taxes to encourage investment in one thing, you're discouraging investment in something else.

And even if you believe there is something inherently meritorious about "long-term" business thinking that the market is somehow unable to appreciate, a tax break for long-term stock investments is a simple logical error. There is no connection between how long I hold a share of stock and the time horizon of the corporate manager. Even if I hold the stock for only two weeks, I will sell it to someone else who will sell it to someone else. How much I will pay depends on how much I think they will pay. The prospective value of the company ten years from now will have the same effect on the stock price today no matter how often the shares change hands in the interim. Artificially encouraging stockholders to trade less frequently will give managers no added incentive to think long-term.

But a capital gains tax cut won't cost anything. It will actually bring in more revenue. That's what the Bush administration claims. It proposes to use the "revenue" from a capital gains cut to pay for other cuts. The February 3 issue of *Forbes* has a chart showing that capital gains tax revenues have always gone up when the tax rate went down, and vice versa. There are a couple of sleights of hand going on here.

Of course a special tax break for capital gains increases capital gains tax revenues. If you enacted a special tax break for people named *Forbes*, people would change their name to *Forbes* and revenues from people named *Forbes* would go up. Revenues from people with other names would go down. So would total revenues. Ditto if you give a special break to something called "capital gains." Revenue from "capital gains" goes up, other revenue goes down (more), as people adjust their affairs to take advantage of the break.

There is one way a capital gains cut really would bring in additional revenues: the lower

* 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.

rate would "unlock" investments people are holding onto because they don't want to pay the tax. To some extent this would increase government revenues by genuinely increasing the efficiency of the economy. Capital would move more quickly in response to market incentives. (Just the opposite, please note, of the "long-term" investing capital gains cut enthusiasts also claim to want.) But most of the additional revenue following a capital gains cut would simply reflect the fact that investors were cashing in sooner rather than later. For the Treasury, any extra revenue in the first couple of years would mean less revenue later on.

If the goal is to "unlock" capital gains, a better way to do that would be to eliminate yet another tax advantage this form of investment has over others: the so-called "angel of death" loophole. When you die, the capital gains tax on investments you still hold die with you. Heirs, when they sell inherited property, pay tax only on the gain since they inherited. Ending this anomaly would bring the Treasury some \$5 billion a year. It also would make flow of capital more efficient by relieving people of the incentive to hold onto investments into the grave.

But a capital gains tax cut will raise stock prices and real estate values. That would be nice. And it's probably true. The stock market does tend to rise and fall with the outlook for a new capital gains break. But that says nothing one way or the other about the merits of the tax break itself. If the government were to announce its intention to give \$10 a share to the owners of all listed stocks, stock prices would go up \$10. Does that make it a good idea? Any rise in market values due to a capital gains tax cut could well be—would be, in my view—just a reflection of the discounted present value of the future tax savings. Fiscally, it would be no different from the government simply borrowing the money and handing it out to stockholders—hardly a sensible formula for genuine growth.

But Alan Greenspan says that theoretically capital gains shouldn't be taxed at all. That does give one pause. The theoretical argument goes something like this. The fruits of a citizen's labor are already taxed once when she first earns them. If she chooses to spend the money, the government makes no more claim on it. But if she chooses to save and invest it, she is taxed again. This is both unfair and inefficient, discouraging saving and encouraging consumption.

Well, ideally, all taxes should be zero because all taxes discourage the activity being taxed. (The exception is a land tax, as Henry George famously noted, because land has nowhere to go.) Taxes on labor discourage work and encourage sloth; taxes on capital discourage thrift and encourage consumption. Work and thrift are both admirable habits that ought to be encouraged, but the government must also be paid for. For any given level of revenue, reducing the penalty on work or thrift means increasing the penalty on work. It is hard to see how placing 100 percent of the burden on labor and 0 percent on thrift is fairer or more efficient than sharing it between the two.

But didn't JFK cut the capital gains tax because he believed in economic growth? This myth is part of the larger myth that the Democratic Party, once-upon-a-time sensible and patriotic, became terminally obscurantist and un-American around 1972. In fact, Kennedy did propose a small cut in the top capital gains tax rate. But he combined it with an end to the "angel of death" loop-

hole and a longer "holding period" to qualify for the break. The net effect would have been an increase in the capital gains tax burden. When Congress wanted the larger tax break without the sterner stuff, the administration balked and treatment of capital gains remained unchanged. So the oft-heard notion that the boom of the 1960s had anything to do with "Kennedy's capital gains tax cut" is beyond myth and into the realm of fantasy.

But don't they have much lower capital gains taxes in Japan? Not at all. It's true that sellers of listed stocks have the option of paying a flat 1 percent of gross proceeds (not net profits) in lieu of a capital gains tax. But the tax on most other capital gains ranges up to 65 percent on investments held less than five years and 33 percent on investments held longer than that. The tax on real estate is even more onerous. If held less than ten years, the tax ranges from a minimum of 40 percent to a maximum of over 72 percent.

Japan's basic income tax rates also range up to 65 percent (at around \$140,000). Its inheritance tax is stiffer than ours. And there is no "angel of death" capital gains loophole. There's no indexing. But then, there's not much inflation either. In fact, the Japanese somehow don't do too badly economy-wise, despite tax burdens that apparently would destroy the incentives of any self-respecting American entrepreneur.

Who cares about long-term economic efficiency? What we need now is a short-term jolt. Even if you're willing to exacerbate our deficit dilemma for an immediate economic stimulus—a mistake—a capital gains giveaway would be a foolish way to go about this. There would be no impact for months. It would kick in just as a recovery was starting, when, by this logic, it ought to be repealed. Other forms of economic adrenaline—including direct government investment in infrastructure projects like roads and bridges—would give more and faster bang for the buck.

But what about capital losses? Here we get into real aficionado territory. The 1986 tax reform limited the annual tax deduction for capital losses to \$3,000 per person. What does this mean? It means you can subtract your capital losses from your capital gains each year. If your losses are more than your gains, you can subtract up to \$3,000 a year against other kinds of income. You can "carry forward" losses beyond \$3,000 and use them to reduce your income tax in future years. But you can't use unlimited amounts of capital losses to cancel out taxes owed on non-capital income. Critics of the capital gains tax—most notably *The Wall Street Journal* editorial page—can turn apoplectic about this seemingly obscure provision. Why? Solving the mystery offers insight into the true politics of capital gains.

Ask yourself: Who is affected by the capital loss limit? Only those who, year after year, lose more than \$3,000 on their investments. There are two such groups. First, genuine perennial losers. Such people are surely to be pitied, but our economic prosperity hardly depends on them. And perennial losers are hardly likely to have the political clout to make an issue of this capital loss business. So consider another group: people who arrange their affairs to have enormous paper losses year after year. What makes capital gains different from other forms of income is that you can choose when to liquidate an investment and take the tax consequences. A basic technique of tax planning is to move up losses and push back gains. More sophisticated techniques involve complex transactions that generate vast

"losses" right away and compensating "gains" that can be put off. Without the loss limitation, it would be possible to get richer and richer while never paying any tax at all. Mystery solved.

For the wealthy and the middle class alike, the 1986 tax reform deal was: give up your loopholes and you'll get lower rates. The philosophy was end all the complicated incentives for this and that, lower the basic rates, and let the market work unmolested. Proposals to restore the capital gains break amount to rattling on the deal, but more interesting is the way they betray the philosophy. Do these people believe in capitalism or not?

EPILEPSY FOUNDATION OF SOUTH FLORIDA HONORS ACTIVISTS

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1992

Ms. ROS-LEHTINEN. Mr. Speaker, I would like to commend the Epilepsy Foundation of South Florida for its working in fighting epilepsy, especially through their Candlelight Ball and Auction. The money raised, approximately \$35,000, will be used for direct services for epileptics. This year, the major recipients of the proceeds are epileptic children.

On the evening of the event, epilepsy activists of the south Florida community were honored for their work. Remedios and Fausto Diaz-Olivier were recognized for their involvement in the foundation with the Robert Laidlaw Humanitarian Award. Bonnie Sepe received the Helping Heart Award, Valentina Diaz was the recipient of the Gladys Wyatt Shining Light Award, Michael Duchowny, M.D. was given the Medical Service Award, Ryder System, was recognized as the Employer of the Year, and Maria Conte was thanked for her work with the Employee of the Year Award. I commend the work of these individuals in the fight against epilepsy.

Also, the members of the Candlelight Ball and Auction Committee are to be commended for their hard work and dedication. They are: Eddi-Ann Freeman and Leanne Lucas, chairpersons; Muriel Kaye, life chairperson; Judy Adler, Dominique Aristondo, Linda Cahan, Victoria Champion, Sandy Enfield, Sharon Ferguson, Doris Gold, Adriana Goldemberg, Althea Jacobs, Sandy Levy, Sheila Logue, Pauline Merl, Martha Mishcon, Hildene Potashnick, Kathy Simkins, Marcia Schantz, Lorraine Schatzman, Inez Stone, Barbara Toland, Susan Tramont, Betty Wohl, and Sonja Zuckerman Klein. The honorary committee members are Gail P. Ballweg, M.D., Don L. Bednar, Barbara Carey, Ed. D., Hon. and Mrs. John F. Cosgrove, James L. Davis, Judson M. DeCew, Jr., Hon. Henry Ferro, Hon. Carlos L. Valdes, Lewis B. Freeman, Michael J. Freeman, Esq., and Della Laidlaw. Without the work of these people, the fundraiser would not have been possible.

In addition, I would like to recognize Louis B. Freeman, president of the Epilepsy Foundation of South Florida for his hard work and dedication to this worthy cause throughout the years. His commitment, along with that of his co-workers and the members of the Candle-

light Ball and Auction Committee, will advance the struggle against epilepsy.

MARCH IS WOMEN'S HISTORY MONTH

HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1992

Mr. GALLEGLY. Mr. Speaker, I am pleased to rise today in honor of Women's History Month, which is being observed this month throughout our Nation.

It goes without saying that women have made invaluable contributions to our Nation since its very inception. Women of every race, class, and ethnic background have helped to shape and mold our Nation in countless ways, publicly, and privately.

Both in the home and in the workplace, women have played a vital and too often overlooked role in our society. Women have been at the forefront of any number of reform movements, such as the abolitionist movement, the suffrage movement, and the civil rights movement, and today women are achieving opportunities that were denied to them for far too long.

I would especially like to note that the Ventura County Commission for Women will hold a luncheon and awards program this Saturday. During this event, the commission will host an inspirational musical drama based on the lives of four great American women—Abigail Adams, Molly Pitcher, Harriet Tubman, and Susan B. Anthony.

Mr. Speaker, today women have the opportunities to decide their own role in society. Whether they choose family, career or both, I ask my colleagues to join me in honoring the many contributions of women, and in supporting Women's History Month observances this month.

TRIBUTE TO IRIS C. SHAPIRO

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1992

Mr. BERMAN. Mr. Speaker, I rise today to express my admiration and respect for an extraordinary citizen, Iris C. Shapiro. Iris is this year's recipient of the prestigious Golden Woman Award. This award will be presented by the Boys and Girls Club of the San Fernando Valley in appreciation of her commitment to the welfare of the children in our community.

Iris has served the southern California community for many years. Her seemingly infinite energy, pleasant personality, and ready willingness to be helpful has endeared her to all those fortunate enough to know her.

Iris is a successful and popular businesswoman. She and her husband Bernard have cofounded and developed an outstanding equity golf club which has been in operation for 25 years. Throughout her career, Iris has always shown a willingness and desire to give

freely of her valuable time to aid organizations or causes important to her community. At present, she is an active member of the California Institute Cancer Service, Las Hermanas, supporting Children's Hospital, Los Angeles County Museum of Art, and director of KCET's Women's Council.

Iris is the proud mother of four children. Her constant guidance, unselfish love, patience, and strong moral values influence and contribute greatly to the respect and admiration that she enjoys from her family, friends, and colleagues.

It is my distinct honor and pleasure to ask my colleagues to join me in saluting Iris Shapiro for her tireless devotion to serving the community and its children.

BIOGRAPHY OF SEATTLE

HON. ENI F.H. FALEOMAVAEGA

OF AMERICAN SAMOA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1992

Mr. FALEOMAVAEGA. Mr. Speaker, through Public Law 102-188 (S.J. Res. 217, H.J. Res. 342), Congress and the President designated 1992 as the "Year of the American Indian." This law pays tribute to the people who first inhabited the land now known as the continental United States. Although only symbolic, this gesture is important because it shows there is sympathy in the eyes of a majority of both Houses of the Congress for those Indian issues which we, as a Congress, have been struggling with for over 200 years. In support of the Year of the American Indian, and as part of my ongoing series this year, I am providing for the consideration of my colleagues a short biography of Seattle, a chief of the Suquamish tribe who is known for his skills as an orator. This biography was taken from a U.S. Department of the Interior publication entitled "Famous Indians, a Collection of Short Biographies."

SEATTLE (SUQUAMISH)

The name of Seattle, Suquamish Indian chief, lives on not only in Washington's largest city, but in its State history, which gratefully records him as "the greatest Indian friend white settlers ever had."

Seattle, son of Chief Schweabe, witnessed as a boy the 1792 arrival in Puget Sound of British explorer Vancouver and his men, in their "immense whitewinged bird ship," the Discovery. The wonderful new riches, and the friendliness of the first white men he had ever seen, profoundly impressed Seattle, who became convinced as he grew up that peace, not war, was the right path for all men to follow.

It was a revolutionary belief. Battle and pillaging were a long-established way of life among Pacific Coast Indians, and as a young man, Seattle planned and led an alliance of six tribes against "horse tribes" to the northeast. Although his success in the undertaking won the young chief the high position of "Chief of the Allied Tribes" (the Duwamish Confederacy), it was his last feat as a warrior. Seattle devoted the rest of his life to promoting peace.

When Catholic missionaries entered the Northwest in the 1830's, Seattle became a convert to Christianity and took the baptismal name "Noah," after his favorite Bible

character. He inaugurated regular morning and evening prayers among his people, a practice they continued after his death.

Seattle had ample opportunity to demonstrate his belief in brotherhood. White settlers who founded a small community on Puget Sound in 1851 received unlimited friendship and help from him, and shared his people's fish, seafood, and venison. In 1852, the little settlement which had first been hopefully called "New York," and later "Alki Point," was renamed, for all time, "Seattle."

But as more white immigrants came to the Northwest, relations, with the Indians became strained and stormy. During the winter of 1854-55, several northwest tribes organized in the hope of driving whites out of the country. In January 1855, Washington Territory's first Governor and Superintendent of Indian Affairs, Isaac I. Stevens, called Seattle's bands together, and told them of plans for a treaty which would place them on reservations.

Seattle, over 6 feet tall, broad-shouldered, deep-chested, an impressive and powerful orator, replied to the Governor in a resounding voice which all his people assembled along the beach could hear. According to a white spectator's translation, the dignified old leader's words, although marked by sadness and resignation, were poetic. They are said to have gone, in part:

"Whatever I say, the Great Chief at Washington can rely on," Seattle said. "His people are many, like grass that covers vast prairies. Our people once covered the land as waves of a wind-ruffled sea cover its shell-paved floor, but now my people are few.

"Our great and good Father sends us word that if we do as he desires he will buy our lands... allow us to live comfortably... protect us with his brave warriors; his wonderful ships of war will fill our harbors. Then our ancient northern enemies will cease to frighten our women, children and old men.

"But day and night can not dwell together. The red man has ever fled the approach of the white man as morning mist flees the rising sun. It matters little where we pass the remnant of our days. They will not be many. The Indian's night promises to be dark... a few more moons... a few more winters."

Seattle was the first signer of the Port Elliott Treaty of 1855 which placed Washington tribes on reservations.

But in the wake of the new treaties, several Indian groups, placed on reservation lands which did not include hunting or fishing areas, opened attack on white settlers. "Horse" tribes of eastern Washington combined to lead a war in which they tried to enlist "canoe" Indians. Some coastal tribes did join the alliance, but Seattle's followers remained generally loyal to whites and were evacuated in sloops and canoes to Port Madison Reservation. Throughout this and other Indian wars of the period, Seattle faithfully supported the white cause, at the same time continuing to be a true and powerful leader of his own people.

In line with the tribal belief that mention of a dead man's name disturbs his spirit, Seattle levied a small tribute in advance upon the citizens of the new town named after him. At about 86, he died on Port Madison Reservation.

An Indian burial ground at Suquamish, Wash., 14 miles from Seattle, contains the grave of the great chief. A granite shaft erected there by the people of Seattle is inscribed: "Seattle, Chief of the Suquamish and Allied tribes, died June 7, 1866, the firm friend of the Whites, and for him the City of

Seattle was named by its founders." Each year the grave is the scene of a memorial ceremony conducted by local Boy Scouts on Scout Anniversary Day. In Seattle itself, a bronze statue represents the Indian leader in a typical pose, his hand outstretched in a gesture of perpetual peace and friendship.

ALPHA EPSILON PI HONORS L.
JULES ARKIN

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1992

Ms. ROS-LEHTINEN. Mr. Speaker, I would like to congratulate Mr. L. Jules Arkin, attorney at law, for his marvelous contribution to our community. Mr. Arkin has dedicated his life to the well-being of our citizenry and I am proud to acknowledge his work.

The Alpha Epsilon Pi Foundation will honor Mr. Arkin with the Gitelson Medallion for Jewish Communal Service at a ceremony at the Omni International Hotel in Miami on the 14th of March.

The Gitelson Medallion for Jewish Communal Service award was established by the foundation in 1933 with the assistance of Dr. M. Leo Gitelson in honor of the scholar rabbi who best characterizes Jewish activity and communal service. Mr. Arkin's credentials certainly make him eligible for this special award.

An attorney at the firm of Therrel Baisden & Meyer Weiss, Mr. Arkin is a member of the American Bar Association, Florida Bar, and the Dade County and Miami Beach Bar Association. Mr. Arkin also served as the president of the Financial Federal Savings and Loan Association of Dade County until 1984.

In addition, Mr. Arkin has served as president of the Greater Miami Jewish Federation and is a member and past president of the Miami Beach Chamber of Commerce, as well as a trustee of the Mount Sinai Hospital of Greater Miami. He also serves as a member and past president of the Miami Beach Kiwanis Club and former chairman of the city of Miami Beach Social Services Advisory Board.

Mr. Arkin is a retired lieutenant commander of the U.S. Naval Reserve. He has dedicated his time as a member of the board of directors and board of trustees of the United Way of Dade County.

It is quite evident that Mr. Arkin's time became increasingly valuable throughout the years. With his memberships in various organizations for the good of our community, Mr. Arkin's tireless interest and stand for the people has earned him the respect and admiration of his colleagues.

Mr. Arkin serves not only the people of our community, but through his dedication and commitment to his work he is a servant of God. He is a member of the Temple Beth Shalom.

Mr. Speaker, I wish to acknowledge the lifetime work of Mr. L. Jules Arkin, who has selflessly and conscientiously made a difference in the lives of the many people who he has come into contact with. Mr. Arkin is a true winner, and a real source of strength and motivation to all who know him.

In addition, I would like to acknowledge the members of the dinner committee of Alpha Epsilon Pi Foundation who have contributed to the success of this event:

Stanley Arkin; Co-Chairman; Samuel Smith, Co-Chairman; Harry "Hap" Levy, Dinner Chairman; Steven Parker, Dinner Co-Chairman; Nathaniel Krumbeln, Foundation President and Jack Mades, Bruce Singer, Robert Dulberg, Mel Rosenberg, Edward D. Gold, Abe Corenswet, Alfred Bloom, Richard I. Feller, Irving Levin, William Shockett, Barry Bierman, Harry Gurwitch, George S. Toll, Philip H. Cohen, Judge Jacob Karno, Ivan W. Halperin, Lester H. Block, Arthur Teich, A. Edward Scherer, Irving Axelrod, Richard H. Stein, Sidney N. Dunn, Harold B. Berman, Dr. Jonathan Tenzer, Dr. Robert K. Ausman, Paul Aronin and Stanford H. Odesky.

HISPANIC EMPOWERMENT

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1992

Mr. RICHARDSON. Mr. Speaker, earlier this year a group of prominent Hispanics from around the country gathered in the Nation's Capital for the founding meeting of a new Hispanic organization titled, Hispanic PAC USA. The group's purpose is to encourage Hispanic empowerment by persuading Hispanics to run for political office and by supporting them with financial and other resources. Despite representing 9 percent of the U.S. population, Hispanic-Americans are woefully underrepresented in elected offices.

The distinguished Governor of Puerto Rico, the Honorable Rafael Hernandez Colon, delivered a moving speech to the Hispanic PAC USA attendees. I urge my colleagues to read Governor Colon's statement and learn more about the role Hispanic-Americans will be playing in the months and years ahead.

STATEMENT BY HON. RAFAEL HERNANDEZ
COLON, GOVERNOR OF PUERTO RICO

Mr. Chairman, Board Members, distinguished Hispanic leaders and friends; Muy Buenas Tardes. It is a privilege and an honor to address this founding board meeting and policy seminar of the Hispanic PAC USA.

We are here to face an important challenge. Hispanic leaders must define the future role that the Latino Community should play in a United States facing rapid and dramatic world trade. Our task is twofold: Hispanics must continue to evolve from the political trenches of each of our communities to the highest levels in this Nation's government, but must do so within a new world order where our countries of origin are playing a prominent role.

We have decided, by creating this organization, to develop the nuts and bolts needed to accomplish this task. Hispanic PAC USA is an action-forcing device that aims at the proper and just target-political empowerment. I congratulate Congressman Bill Richardson for sponsoring this initiative; transforming important ideas into concrete action.

The 1990 Census revealed that Hispanics are among the Nation's fastest growing population. As you well know, it showed that the Anglo-Saxon population only grew 6% in

the past decade, and the black population grew at a rate of 53%. Today, the 1990 Census figures reflect that 9% of the United States population is Hispanic. That means that there are 22.4 million Hispanics whose political energies can and must be harnessed towards common political goals. For Hispanics in the U.S., the time has come to show their mettle in American politics.

After the Mexican origin population, Puerto Ricans living in the states are the second largest Hispanic group, with 2.7 million or 10.5%.

But the Puerto Rican Community goes beyond the frontier of the 50 states. The Commonwealth of Puerto Rico is committed to promote the Hispanic goals in the United States as well as to promote the well being of our neighbors in the Caribbean and Latin America. Through our political relationship with the United States, Puerto Rico enjoys common market, common currency and common citizenship with this Nation; at the same time we are bound by our cultural heritage to the other side of this hemisphere.

Hispanic communities all over the United States must empower themselves with continuous massive "voter registration" and "get out the vote" campaigns.

We are proud of the 3,700 Hispanic elected officials nationwide, including 12 members in the United States Congress. Yet, we need to do much more. Hispanics are underrepresented in states like New Mexico with a Hispanic population reaching 38.2% of the total population, California 25.8%, Texas 25.5%, Arizona 18.8%, Colorado 12.98 and New York 12.3%. Our voice must be heard with the clarity and intensity our numbers demand. And it must be heard in every state legislature, in every county and every barrio in the United States . . . it must be heard here in Washington. One man, one vote and we cannot accept anything less.

Six years ago, I decided that Puerto Rico could not remain indifferent towards the low participation rate of our brothers and sisters in the political process within their own communities in the States. Two years later, through the Commonwealth offices in New York City, we were conducting a massive "voter registration" and "get out the vote" campaigns in that city. We called this initiative "Atrévete" and we are currently conducting it in the principal Puerto Rican communities across the United States.

The results are extremely rewarding. Puerto Ricans registered to vote increased from 324,000 in 1988 to over 500,000 in 1991, an increase of 38%. The percentage of Puerto Ricans actually voting in New York's mayoral election increased from 33% in 1985 to 55.2% in 1989. In 1991, we have increased the proportion of city councils from 8.5% to 20% in New York City; from 18% to 33% in Hartford, Connecticut; from 0% to 20% in Vineland, New Jersey; and from 0% to 40% in Camden, New Jersey.

The lady who helped Puerto Rico accomplish this extraordinary feat is here with us. Her name is Nydia Velázquez and I would like to congratulate her for a job well done.

Mexicans, Puerto Ricans, Cubans, Dominicans, Central and South Americans who live in the United States must step up these efforts. This Hispanic PAC must build a first rate political network of organizers and fundraisers to support these campaigns. We must reinforce and expand these endeavors across every Hispanic community in the United States.

But the experience of our "Atrévete" program leads me to encourage each member of this Hispanic PAC to look into the new

interrelations between Hispanics in the United States and their countries of origin. The nature of the economic relations between these countries and the United States is becoming critical to the future prosperity of the entire Hemisphere. It is in our roots, where our strength lies.

The United States, despite its vast internal market, cannot be indifferent to the lessons learned from the European Community. It is already in the early stages of a Hemisphere-wide approach to economic growth and prosperity. The global economic momentum is moving steadily toward economic association within nations and trade liberalization. Mexico, Canada and the United States are currently hammering out a free trade pact that will create a giant market with a population of 360 million and a combined gross product of 6 trillion dollars.

Similar changes are taking place south of the Rio Grande. The Central American countries are currently building on their common market experience of the 60's and 70's. The English-speaking countries of the Caribbean are expected to create a common market by the beginning of 1994. The Caribbean countries have also entered into a free trade agreement with Venezuela that will phase out tariffs on Venezuela's import from the Caribbean over the next five years. In South America, the member countries of the Andean Pact—Bolivia, Colombia, Ecuador, Peru and Venezuela—are planning to form a common market by 1995. Similarly, the four countries of Southern Cone—Argentina, Brazil, Paraguay and Uruguay—have signed a treaty to start a common market during this decade. More recently, Mexico and Chile signed a free trade agreement that is expected to double the existing trade between these two countries by the end of this decade.

The Commonwealth of Puerto Rico is also preparing itself to successfully face the new economic challenges; not only to strengthen the position of our Commonwealth, but to share our prosperity with others. A prosperous Latin America means a prosperous partner in our economic and social development at home.

Under my administration the Commonwealth of Puerto Rico has been sharing its more important economic tools with other Caribbean countries, with a positive result for both—Puerto Rico and the Region. We have shared the 936 tax benefits through our twin plan concept and the 936 funds are being used to finance projects in eligible CBI countries. Our Caribbean Development program has promoted more than \$862 million in investments in CBI countries, which means over 21,000 additional jobs in the region. The end result—Puerto Rico is better off today and so are the other Caribbean countries.

On a hemisphere-wide basis, President Bush has proposed the Enterprise for the Americas Initiative, which envisions the creation of a free-trade zone "stretching from Anchorage, Alaska to Tierra del Fuego in Argentina". Since June of 1990, the Initiative has gained rapid momentum. The United States has signed 28 framework trade agreements, including regional pacts with the Caribbean countries and the Southern Cone governments. Duty-free entry to the United States market provided by the United States Caribbean Basin Initiative (CBI) was expanded in October of last year, and in December the United States Congress passed, and the President signed into law, the Andean Trade Preference Act, extending duty-free coverage, similar to the one offered by the CBI products from the Andean region.

Hispanics in the United States have the responsibility to direct and move forward these initiatives since these new associations will bring an enormous political strength to our movement at home. We cannot afford to be left out of the important negotiations currently taking place. Hispanics must have a word on what could be our greatest asset for improving the quality of life that Hispanics deserve in this Country. We must demand participation.

The changing face of the world economy forces us to develop a political strategy with a two pronged approach: at home we must reinforce our grass root operations, abroad we must strengthen our bonds with other Hispanics countries. If we are to have an integrated market in this Hemisphere, where the vast majority of the population will be Hispanic, we must act now to ensure that our communities play a leadership role in the economic, social and political developments in the years to come.

The political strength of the Hispanic population in the United States depends on the degree of internal unity and the magnitude of support from the countries of origin. Let us put an end to the low participation rate of our people. Let us never again be undercounted, underrepresented, or underestimated in any form. And above all let us look forward and move ahead to seize the new opportunities that are for the betterment not only of ourselves but also of this Nation.

Muchas Gracias.

A TRIBUTE TO FOUR RETIRED DOMINICAN NUNS

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1992

Ms. ROS-LEHTINEN. Mr. Speaker, I am pleased to recognize four retired Dominican nuns who have devoted most of their lives to God and to the happiness of others. After their arrival to Florida from Cuba in the 1960's, Sister Rose Rodriguez, Sister Mary Pilar, Sister Joanna, and Sister Nieves helped establish a parochial school, started a mission for migrants, and worked with migrant children. They were recently featured in The Miami Herald for the love and support they have provided in all their years of service to God. The article "Sisterhood" by Bea Moss tells of how their years in retirement still keeps them busy:

The four retired Dominican nuns who live in a quiet Westchester neighborhood now spent much of their time in prayer.

Once they taught in parochial schools, worked with migrant children and started a mission for migrants in Wachulla, Fla.

They still do good works.

Sister Rose Rodriguez, 85, Sister Mary Pilar, 90, Sister Johanna, 85, and Sister Nieves, 88, came to the United States from Cuba shortly after the revolution. The late Bishop Coleman Carroll of the Miami Archdiocese asked them to help open a school in the then new St. Timothy's parish.

Now Sister Nieves occupies some of her time knitting baby clothes on a small loom. She knits small three-inch squares and then sews them together into bonnets, booties and tiny jackets to give to parishioners and people in need. She also weaves shawls and decorative tissue covers.

"I've been doing this for many years, since I was a girl," said Sister Nieves, who learned

from a grandmother who raised her after her parents died.

KNITTING LESSONS

Now Sister Nieves is teaching Sister Johanna to knit.

"I just started a blanket," said Sister Johanna, glancing at Sister Nieves. "Sometimes, I do something wrong, and she takes it apart."

"She began making baptism outfits eight years ago after seeing an exhibit of handmade baby clothes," Sister Cecilia said. "All day Sister Nieves is knitting."

Sister Rosa helps with the household chores, and Sister Mary Pilar sits in a rocker fingering her rosary most of the time.

A housekeeper cooks for them in the neat home filled with religious objects, reminders of their faith.

Sister Cecilia, director of the Confraternity of Christian Doctrine at Gesu Church, looks after the women.

Sister Nieves always wanted to become a nun.

"I liked to see the nuns praying and singing when I was a girl," she said.

Sister Johanna, who originally came to the United States from Mexico, remembers seeing nuns in California.

"They were in their white habit and black cape, and I went to the priest and told him that's what I wanted to do," she said.

Later she went to Cuba, back to California, back to Cuba. She ended up in Florida.

PRAYING TOGETHER

Friends from Cuba, relatives and the Dominican order helped buy and furnish the home where they nuns live. Before they moved, they lived in a Catholic nursing home in South Dade.

"They have prayer together and meals, and the whole atmosphere is sort of a quiet, prayerful place for them," said Sister Denise, a school sister of Notre Dame who is vicar for the religious office in the archdiocese.

The house was bought by the Dominicans to care for their own, Sister Denise said. The archdiocese paid for their care at the nursing home.

The retired nuns also receive a small pension from the archdiocese for the years they served and taught in Florida.

Sometimes, the sisters talk of the days before they were forced to leave Cuba.

Sister Johanna misses the island, the community, the house she lived in there.

"Now everything is destroyed," she said.

Mr. Speaker, I commend these four Dominican nuns who in their commitment and recognition of others helped improve the life of so many. They are an inspiration to us all.

PORTUGAL ECONOMIC REPORT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1992

Mr. HAMILTON. Mr. Speaker, I would like to bring to the attention of my colleagues a report on the Portuguese economy prepared by the Agency for International Development [AID] provided to the Congress pursuant to section 1205(b) of the International Security and Development Cooperation Act of 1985, as amended.

The report is an important summary of the remarkable transformation of the Portuguese

economy since 1974, and of the boom years in Portugal since accession to the European Community [EC] in 1986. Portugal has been the beneficiary of large financial inflows from the EC since 1986. Net financial flows to Portugal from the EC in 1990 totaled 1.6 percent of GDP, a sum in excess of \$900 million. Most of this funding was in the form of structural assistance to help modernize the physical infrastructure of the Portuguese economy. U.S. economic support fund assistance to Portugal in fiscal year 1990 totaled \$39.4 million, and in fiscal year 1991 \$42.6 million.

The report from AID, which was submitted to the Congress February 20, 1992, follows:

ECONOMIC REPORT TO THE CONGRESS—
PORTUGAL, JANUARY 1992
I. EXECUTIVE SUMMARY

Since 1974, Portugal has undergone a remarkable transformation, both economically and politically. It is now a pluralistic democratic state which is nearly fully integrated into the European Community (EC). Its policy performance under a recent IMF standby arrangement was exemplary. Real GDP growth was quite robust in the latter half of the 1980s, and even during the past two years of stagnation in the world economy. The unemployment rate in 1990 was below 5%; export volumes rose by over 12% (following a rise of nearly 20% in 1989). The Government has pursued a policy of prepaying its foreign debts, financed from privatization receipts. This has contributed to a decline in the country's debt-to-GDP ratio from 55% in 1986 to 31% in 1990. Direct investment grew by over eightfold during the same period; foreign reserves by nearly tenfold.

Problems do remain. Inflation hovers above 12%, reflecting expansionary fiscal policies and also labor shortages in some sectors. This has delayed convergence of inflation rates with other EC members, a prerequisite to being included in the European Monetary Union. But overall, especially given its ability to attract private foreign investment and the benefits of ever-closer integration into the EC, Portugal's economic prospects look exceptionally good. By 1990, GDP per domestic resident stood at \$5,670, which is approximately the same as South Korea's per capita GDP, according to IMF sources. In virtually every respect, it appears that Portugal has graduated from the ranks of developing countries.

II. ECONOMIC BACKGROUND AND POLICY SETTING

In the three years following the socialist revolution of April 1974, Portugal's political and economic systems were radically transformed. A representative political system was introduced and trade unions were legalized. In the economic sphere, however, three major institutional changes hampered Portugal's potential for sustained economic growth:

1. Under a comprehensive land reform, large farms in the central wheat-growing regions of the country were taken over by landless farmers and worker cooperatives.

2. Labor legislation was enacted making it extremely difficult to dismiss employees.

3. Banks, insurance and transportation companies, and large industrial companies were nationalized.

The public sector budget deficit expanded rapidly, partly to finance these nationalizations, and also due to large public sector wage increases; generous subsidies for food and fuel; large increases in government staff; and rapid expansions in public investment. These developments, alongside the 1974 oil

price shock, declining remittances and continuing political unrest, resulted in falling productivity and serious balance-of-payments difficulties.

Under an IMF stabilization program in 1978-80, Portugal initially succeeded in substantially reducing the balance-of-payments deficit, but did not make much progress in lowering the government's budget deficit. With a lapse in adjustment efforts in 1980-83, the annual inflation rate rose above 22%. In 1982, the budget deficit comprised 13% of GDP, and the payments current account deficit hit 14% of GDP.

These adverse circumstances convinced Portuguese officials to enter a second IMF-supported stabilization program in 1983-85. The program centered on deep cuts in aggregate demand through restrictive tax, expenditure and credit policies; sharp price adjustments; and crawling-peg devaluations to change relative prices in favor of the export sector. Stabilization was accompanied by recession, with real GDP falling by 0.3 percent during 1983 and another 1.6 percent during 1984. But the stabilization program, accompanied by structural reforms under the aegis of integration into the EC, laid the basis for a prolonged economic boom. (Portugal's economic performance from 1985-1991 is reviewed in Section IV.)

III. RELATIONS WITH THE EUROPEAN COMMUNITY

In 1986, Portugal and Spain acceded formally to the European Community (EC), providing those countries with virtually uninhibited access to the goods, capital and labor markets of other EC members. This launched them both on a sustained economic boom. Portugal's dramatic economic turnaround since 1985 has been based both on the very favorable external trade and investment environment created by the accession, and substantial structural adjustment assistance from the European Community.

Under the Articles of Accession, a transition period of seven years (ten years for agriculture) was allowed during which Portugal undertook to drop all trade and capital barriers against other EC members and adopt the Common Agricultural Policy. To assist the process of making Portugal a competitive member of the Community, sizable amounts of structural adjustment funds were provided. (See table, below.) Entry into the Community was thus a dynamic force for change in Portugal's economy, both through financial assistance and via the accompanying economic stabilization and structural adjustment conditions attached to the assistance. Large increases in private foreign investment were stimulated by a vastly improved level of business confidence, attributable both to Portugal's accession to the EC and to its successful implementation of economic stabilization and structural adjustment measures. Investment was also spurred by the country's low tax burden, which still ranks among the lowest in Europe.

Public financial flows from the Community into Portugal have grown to comprise more than 2% of GDP per annum:

PUBLIC FINANCIAL FLOWS FROM THE EC TO PORTUGAL
(In percent of GDP)

	1986	1987	1988	1989	1990
Net inflows	0.9	1.0	1.7	1.8	1.6
Gross inflows	1.1	1.8	2.4	2.4	2.4
of which, structural funds	1.0	1.4	1.9	2.0	2.0

Source: OECD.

These financial flows have been largely in the form of non-reimbursable grants. The IMF projects that annual disbursements of

EC Structural Funds alone will yield the equivalent of 2%-2.25% of GDP through 1993.

IV. ECONOMIC POLICIES AND PERFORMANCE IN THE 1980S

The economic policies adopted by Portuguese authorities in the early 1980s laid the basis for a dramatic turnaround in the economy after 1985. Although expansionary fiscal policies contributed to overheated domestic demand, with associated higher inflation levels and rising imports, exports grew dramatically, as did income from tourism and remittances. Foreign investment also rose rapidly. Important progress was made in privatization of public enterprises and accelerated foreign debt repayment.

Government finance

Portugal's large and persistent public sector borrowing requirement (PSBR) remained a threat to anti-inflationary efforts throughout much of the 1980s (Table I). Following the socialist revolution, rapid rises in public sector expenditures were followed by growing public debt and interest payments. Underlying problems included pervasive subsidies, a weak tax system and bloated public sector employment. The PSBR peaked at nearly 18% of GDP in 1985, then hovered in the 10% range until 1988. More rapid progress in reducing expenditures was retarded partly by disbursements of large net transfers from the EC, which requires matching budgetary outlays. For this reason, Portuguese authorities reportedly would prefer that the structural funds should be disbursed more slowly, in order not to contribute to higher budget deficits.

Much of the early progress in reducing the budget deficit resulted from increases in prices and reduced subsidies for food, feed, fertilizer and fuels. During 1983-85, most public enterprises were given freedom to raise prices in line with market developments and in accordance with their need to raise investment capital, reducing their dependence on the government budget. But prices for those products for which government retained control on average did not keep pace with inflation. Subsidy expenditures began to rise again in 1988, although in 1989 domestic prices for petroleum products were increased to conform with international prices.

In 1986, a new petroleum tax and the value added tax (VAT) were introduced, substituting for a complex array of earlier taxes. By 1989, it was estimated that implementation of the VAT system coupled with the rationalization of income taxes had yielded an increase in revenue equivalent to 1.2% of GDP. Improvements in government revenue, together sharply reduced borrowing by public enterprises, led to a decrease in the public sector borrowing requirement to a more acceptable 6.1% of GDP in 1989. The government's program to assume predetermined amounts of enterprise debt, and then retire it using privatization proceeds, was clearly a contributory factor: receipts from privatization in 1990 amounted to 2% of GDP, 80% of which was devoted to reduction of foreign public debt. The public sector borrowing requirement remained below 7% of GDP in 1990.

Monetary and exchange rate policies

The challenge for Portugal following completion of its IMF standby arrangement in 1985 was to improve coordination of fiscal and monetary policies, while deepening financial markets, liberalizing foreign exchange allocation and moving to indirect monetary controls. Considerable progress has been made in liberalization of banking, following a decade of being a state-con-

trolled monopoly, and in making the transition to less administered forms of monetary control. Measures exchange transactions, and introduction of various new financial instruments. The central bank was given authority to operate in the money market.

But persistently high government deficits have resulted in monetary policies inconsistent with the goal of inflation rate convergence with other EC members, a prerequisite to monetary union. One result was that inflation ticked up to double-digit levels again in 1989, necessitating a tightening of controls on credit. The exchange rate at that time was devalued on a "crawling-peg" policy, according to which aggregate nominal depreciation could not exceed 3% per annum. But large unanticipated capital inflows following the adoption of that policy led to progressive appreciation in the real effective exchange rate (Table I). In response, the government in October of 1990 adopted a more flexible exchange rate policy, together with more restrictive controls on capital inflows. Authorities believed that inclusion within the EC's Exchange Rate Mechanism, which would formally constrain the escudo vis-a-vis other EC currencies, would have to wait until a better anti-inflation policy mix had been obtained.

Privatization

The July 1987 election of the first single-party majority government since the 1974-75 revolution led to a series of measures designed to facilitate private sector activity and privatization. By March of 1988 the new government had ratified a law permitting the sale of up to 49% of the equity in state enterprises to private interests; this was revised in 1989 to allow the purchase of majority interests. Other laws opened additional sectors to private investment entry, including steel, petrochemicals, oil refining, transport, telecommunications, and energy. Separate laws were passed to increase the amount of privately owned land vis-a-vis that of co-

operatives and to open new sectors such as newspapers and radio broadcasting to private enterprise. Privatization revenues in 1990 were estimated to be in the range of 2% of GDP. Authorities authorized the participation of foreign investors in privatization actions, except in the case of financial institutions, which are to remain under domestic control.

V. RECENT ECONOMIC PERFORMANCE AND OUTLOOK

Portugal enjoyed strong economic performance in 1990, with real GDP rising by 4.4% and unemployment falling below 5%. GDP was estimated to have risen again by 3.2% in 1991. Exports volumes, after growing by nearly 20% in 1989, sustained an increase of nearly 13% in 1990; in terms of dollar value, exports grew by more than 25% on average annually in 1990/91 (Table II). Imports also picked up, shifting the external current account from a surplus of 0.4% of GDP into a deficit of 0.3%. Despite prepayments on the government's external debt and tightened controls on capital inflows from abroad, net capital inflows remained buoyant, and indeed, more than sufficient to cover the increased deficit on current account. Non-gold reserves rose by over 45% in 1990, bringing them to the equivalent of 7.6 months of imports, up from only 2 months in 1986.

The weakness in this performance stems from persistent inflation, which rose to 13.4% in 1990. Expansionary fiscal policy fueled excess demand, as reflected both by rising import demand and shortages in certain labor markets. Nontradeable goods prices rose by 19% in 1990. Labor shortages and the trade deficit were expected to continue to widen. Thus, the process of inflation convergence within the EC appears to be stalled, as are prospects for early inclusion in the European Monetary Union. Nonetheless, with recovery in important export markets, and with continuing improvements in receipts from services (including tourism),

the current account deficit in 1991 was not expected to exceed 1% of GDP. This amount was expected again to be more than financed by autonomous capital inflows, leading to a further buildup of official reserves.

In short, Portugal has turned in an exceptional economic performance, and looks set to continue doing so. Export growth has been phenomenal. Private foreign investment also is quite strong, buoyed by the economic policies that Portugal has pursued and by the country's ever-closer integration into the EC, which provides insurance that those policies will be sustained. By 1990, GDP per domestic resident¹ stood at \$5,670. By way of comparison, this is roughly equal to South Korea's per capita GDP (\$5,593 in 1990), according to IMF sources. In virtually every respect, it appears that Portugal has graduated from the ranks of developing countries.

¹GDP per domestic resident excludes both expatriates and their remittances.

VI. DEBT-SERVICE PROSPECTS

Portugal's external debt burden has fallen substantially from its peak in 1985, when it constituted 81% of GDP. Restraint on new public and public-guaranteed borrowing, strong balance-of-payments results and solid GDP growth contributed to the decline in total debt to about 31% of GDP by end-1990 (Table III). Total external debt in comparison to Portugal's foreign exchange earnings fell even faster. Recent improvements in Portugal's debt-servicing burden are also reflected by the government prepayments made from 1986 onward, financed from privatization receipts.

Portugal should continue to have little difficulty in servicing its debts in the medium term, given strong autonomous capital inflows, remittances and net income on services account. Given Portugal's full EC membership, these sources of income look secure.

TABLE I.—GOVERNMENT OF PORTUGAL FINANCES¹

	[Billions of escudos]						
	1985	1986	1987	1988	1989	1990	1991
Current revenue	1,266	1,659	1,873	2,285	2,819	3,268	3,998
Taxes	1,178	1,510	1,685	2,103	2,485	2,919	3,487
Nontax revenue	88	149	187	182	334	349	511
Current expenditures	1,386	1,764	2,023	2,341	2,757	3,398	4,121
of which:							
Subsidies	144	131	98	110	127	128	511
Interest	285	405	452	467	510	698	864
Current balance	-120	-105	-151	-56	63	-131	-173
Capital revenue	272	115	41	23	101	109	173
Capital expenditure	396	317	298	334	473	553	665
Capital balance	-124	-202	-256	-311	-372	-444	-492
Overall balance	-244	-307	-407	-367	-309	-574	-665
PSBR ²	419	453	545	558	435	567	500
As percent of GDP:							
Current expenditure	39.3	39.9	39.1	39.0	38.5	39.8	40.8
Capital expenditure	11.2	7.2	5.7	5.6	6.6	6.5	6.6
Overall deficit	6.9	6.9	7.9	6.1	4.3	6.7	6.6
PSBR ²	11.9	10.2	10.5	9.3	6.1	6.6	4.9
Memorandum items:							
GDP (billions of escudos)	3,524	4,420	5,175	6,003	7,168	8,530	10,105
Inflation (consumer prices, excluding rent—percent)	19.3	11.7	9.4	9.7	12.6	13.4	12.4
Real eff. exchange rate	100.0	99.0	97.7	98.0	102.4	109.1	115.2

¹ Including central government, local governments and the social security system, but excluding public enterprises. Fiscal items in 1991 based on budget.

² Public sector borrowing requirement including public enterprises

³ provisional.

⁴ projected.

⁵ March 1991.

Source: International Monetary Fund, National Accounts basis.

TABLE II.—PORTUGAL: BALANCE OF PAYMENTS

	[Billions of U.S. dollars]				
	1986	1987	1988	1989	1990
Current account:					
Trade balance	-1,634	-3,581	-5,518	-4,865	-6,580
Merchandise exports	7,209	9,226	10,874	12,720	16,427
Merchandise imports	8,844	12,847	16,392	17,585	23,007

TABLE II.—PORTUGAL: BALANCE OF PAYMENTS—Continued

(Billions of U.S. dollars)

	1986	1987	1988	1989	1990
Services balance	-.032	.244	.631	.478	.957
Receipts	2.820	3.646	4.037	4.630	6.370
Payments	2.852	3.402	3.406	4.152	5.413
Transfers	2.810	3.786	4.322	4.540	5.484
Current account balance	1.144	.449	-1.066	.153	-139
Capital account:					
Direct investment	.239	.476	.842	1.653	1.984
Portfolio investment	.404	.816	1.814	1.050	.725
Other capital	-.891	-.604	-2.363	1.302	-1.003
Capital account balance	-.248	-.688	.293	4.005	1.706
Errors and omissions	-1.007	.639	1.640	.497	1.974
Overall balance	-.111	1.777	.867	4.645	3.542
Counterpart items:					
Reserve assets ¹ (- = increase)	.111	-1.521	-.365	-4.654	-3.542
IMF credits and loans (- = repayment)		-.256	-.502		
Memorandum items:					
Total reserves minus gold	1.456	3.327	5.127	9.952	14.485
Months of import coverage by (nongold) reserves	2.0	3.1	3.8	6.8	7.6

¹ Changes are not equal to change in levels of Total Reserves Minus Gold because of valuation changes.

Source: IMF, International Financial Statistics.

TABLE III.—PORTUGAL: EXTERNAL DEBT

(Millions of U.S. dollars)

	1986	1987	1988	1989	1990
Total	16,301	18,464	17,362	17,899	18,623
Short-term	1,429	2,199	2,595	2,901	2,546
Public enterprises	1,185	1,288	1,031	1,085	984
Other	244	1,911	1,564	1,813	1,562
Medium and long-term	14,872	16,265	14,767	14,998	16,077
General government	5,003	6,069	5,850	5,785	5,193
Bank of Portugal	846	594	5	1	
Non-financial public enterprises	7,025	7,509	6,942	6,378	7,179
Other monetary institutions	1,196	1,013	669	772	859
Other (including private)	802	1,080	1,301	2,062	2,546
Debt ratios:					
A (percent) ¹	55	50	42	39	31
B (percent) ²	125	109	89	81	66

¹ Debt/GDP.² Debt/foreign exchange earnings (including exports of goods and services, and transfers).

Source: International Monetary Fund.

MIAMI FLUTE ENSEMBLE HONORED BY WHITE HOUSE

HON. ILEANA ROSLEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1992

Ms. ROS-LEHTINEN. Mr. Speaker, I am pleased to recognize the Wolfson Campus Pipers, the Miami-Dade Community College 16-member flute ensemble which received the honor of performing for the First Family at the White House's holiday open house. The ensemble was featured in the Miami Herald for this proud recognition.

The article, "MDCC Group Proud to Play for Top Brass" by Elizabeth Grudzinski, tells of how their love of the flute bonds them together to create the beautiful music they perform:

Four years ago, Zane Hobbs had never even picked up a musical instrument. Saturday, he will play the flute in the White House.

Hobbs, 35, is a member of the Wolfson Campus Pipers, a 16-member flute ensemble based at the downtown campus of Miami-Dade Community College. Several weeks ago, the group received an invitation to perform at the White House's holiday open house.

"I was totally flabbergasted," said Hobbs. "At first I thought it was a joke. But it's like a dream come true."

Love of the flute is the glue that binds this unlikely group together. The members came from an assortment of backgrounds and oc-

cupations. Hobbs is originally from Detroit and works as a Miami Beach lifeguard. Julie Delgado, 35, was born in a small town in the Philippines and is a critical-care nurse at Miami Heart Institute. Other group members include a professional musician, teachers and full-time music students.

Differences in background vanish when group members talk about their music.

"I'm just in love with music," said Delgado. "When I play the flute, it's an expression of myself. I would be incomplete without it."

"Music has always fascinated me," said Hobbs. "The flute has so pure and sweet a tone."

The Pipers were founded in the early 1970s by Althea Kaplan, professor of music at MDCC. The group performs music from the Renaissance and classical periods as well as show tunes and holiday music. They have played at malls and hospitals as well as "at the swanky places in town, like Vizcaya and the Miami City Ballet," said group member Brian Cook.

But nothing as swank as the White House. "We're just a little flute ensemble, and they want us to play at the White House?" wondered Arin Finocchiaro, 20. "My first reaction was, 'Are you sure it's THE White House?'"

The invitation was unexpected. Wolfson Campus President Dr. Eduardo Padron "got a call from the White House, asking us to play. I don't know how they found out about us," said Kaplan.

Prompting the invitation, according to a White House spokesperson, was a letter to Barbara Bush written by John Schmitz, vice chairman of the college's board of trustees.

"I was extremely impressed by the group, so I wrote and suggested that they should be invited to play at the White House," said Schmitz.

Mr. Speaker, I commend the Wolfson Campus Pipers for their incredible talent and dedication, traits which undoubtedly contributed to their success. Their music is an inspiration to all.

THE INTERNATIONAL MANAGEMENT AND DEVELOPMENT INSTITUTE [IMDI]

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1992

Mr. GILMAN. Mr. Speaker, I would like to draw attention and pay tribute to the International Management and Development Institute [IMDI], a nonprofit educational institute headquartered in Washington, DC. IMDI was founded 23 years ago by Gene E. Bradley, now the chairman of the organization, as a business-government partnership of coequals whose deliberations and voices are nonpartisan and nonadversarial.

IMDI's new president and CEO is Don Bonker, the distinguished former Representative from the State of Washington. As Members of this House know very well, Congressman Bonker was an exceptionally active participant in

and architect of many of the important issues before us. He is now bringing that same leadership and dynamism to his new position as president and CEO of IMDI.

IMDI's mission was—and is—to bring together international business and government leaders for dialogue and ideas which contribute to sound trade and investment policies. Many Members of Congress know about this first hand. Some 70 Senators and Congressmen are members of the Congressional Faculty and Partnership Committee of the Atlantic Corporate Committee of IMDI. They participate in sessions throughout the year with IMDI's corporate members from Europe and the United States.

IMDI is now embarked upon an urgent and timely goal: A comprehensive undertaking to prepare key policy statements and recommendations for its leadership meetings scheduled for March 17-18, 1993, in Washington, DC. This will, of course, coincide with the advent of the next Presidential administration and the new Congress.

IMDI's members have a clear sense of urgency at what they see as a critical turning point of both opportunity and danger. They are concerned that there appears to be no bold vision coming from Europe, the United States, or the Asia/Pacific in bringing about an integrated global trade and investment framework. Protectionist pressures threaten the conclusion of the Uruguay round of the trade talks. The emerging democracies of Eastern Europe and the former Soviet Union are struggling with their transitions. Clearly, new economic nationalism and protectionism will deal a severe blow to these nations' integration into the existing world trading system—with inevitable political consequences. It will be ironic—and tragic—if the old barriers of the cold war fall only to be replaced by new walls of trade and economic nationalism. After spending trillions to help bring about the collapse of the communist empire, it behooves the United States, Europe, and the Asia/Pacific to mobilize our best international corporate and government efforts to assure that these struggling nations make a successful transition to free enterprise and democratic institutions.

Mr. Speaker, the activities and efforts of IMDI are aimed at providing the opportunities and means to act together in achieving positive results through partnership. IMDI has just made a major contribution to addressing the critical issues of economic and trade warfare at its recent conference in London and Ditchley Park, England.

Former Prime Minister Margaret Thatcher spoke to conference participants and was awarded IMDI's Leadership Award for the 1980's. Her remarks underscored the West's accomplishments and the historical significance of communism giving way to the forces of democracy. At the same time, Prime Minister Thatcher emphasized that it is urgent and imperative to exercise leadership and work together to consolidate the opportunities which now exist. She stressed the importance of government-business partnership and the need for principles and consistency in these times of unprecedented change. Finally, she enjoined IMDI and other forces to work actively in forging the necessary bold vision and leadership.

Mr. Speaker, it was quite a group that was present at IMDI's recent conference. Participants included three members of Congress, the special assistant to the President and senior director for European Affairs at the National Security Council, the assistant United States Trade Representative for Japan and China, the European Commission's Ambassador to the United States, and top corporate leaders from both Europe and the United States. One of these corporate members, British Gas, extended generous hospitality throughout the conference. Conference results and recommendations, a summary of which follows, go to a much wider audience of IMDI's international membership of some 1,200 leaders. In addition to legislative and executive branch officials, included were trade and economic experts from academia, policy institutes and the media; corporate members from many nations; and fifty Ambassadors to the United States from both Europe and the Asia/Pacific.

Mr. Speaker, in order to more fully inform our colleagues of this recent conference, I request that the following summary of the main points and proposals at IMDI's Ditchley Park Conference, February 15-16, 1992, be inserted at this point in the RECORD.

Overriding threat of economic nationalism—In their surveys, participants ranked as very high the threat of economic nationalism and the failure of the Uruguay Round of the trade talks. Discussion of specific U.S.-Japan and European-Japan trade problems led to a general assessment of the danger of economic nationalism escalating into international disputes. The new protectionism is seen as coming from both the left and right of the political spectrum.

Need for New Approach to GATT—Participants believe there is a need for different approaches to the Gatt, ways of getting beyond the present gridlock. The world is shifting from security threats to economic competition and trade tensions accordingly arise. A new high-level initiative could inject needed political will to bring the GATT and U.S.-Japan-European trade and investment issues into a more harmonious balance. This would favorably impact trans-Atlantic and trans-Pacific political/security issues as well.

Role of Agriculture—Participants noted that agricultural interests in all of the affected countries have considerable clout and that agriculture's linkage with other issues cannot be dismissed. At the same time, ways need to be found to keep the relatively small agricultural components of national economies from undermining agreement on the much larger issues in international trade and investment.

Dangers to Emerging Democracies—After spending trillions on the Cold War and witnessing the demise of communism, participants believe the West must better mobilize to assist the emerging democracies of East Europe and the former Soviet Union. These nations would be dealt a severe blow by protectionism and economic nationalism. Their integration into the western trading system offers the best prospects for making the painful transition from the command economies to free enterprise. Governments, the G-7, the IMF and other institutions need to do more. Participants see a meaningful role for the private sector in assisting Eastern Europe and the new states of the former U.S.S.R.

A New Initiative is Possible—Participants believe that IMDI itself can provide the scope and structure for an activist, cor-

porate-driven group to accelerate the process of transition in Eastern Europe and the former U.S.S.R. IMDI will outline the founding of a center which could act as a catalyst between the emerging private sectors and governments in those countries, on the one hand, and businesses, foundations, and government circles in Europe, the U.S. and Japan, on the other.

Shared Leadership—The United States can and should no longer carry the entire leadership burden. Europe must become a full partner, a co-pillar in the now significantly changed political and security environment. Japan will also have to play more of a global partnership role.

Business-Government Partnership—Corporate and government leaders must work together in these demanding times. More than before, the business community will be the flag carrier of international politics. Government cannot be expected to come up with all the answers. Corporate participants emphasized their need to operate 24 hours a day regardless of delays in governments' policies and decisions. Participants believed that corporate leaders should sound off and take a greater role on key issues, particularly when various governments are preoccupied with political and electoral considerations.

Role of IMDI—Participants agreed that IMDI's importance for the times derives primarily from its being a corporate-driven, neutral forum. Its Washington activities and the Ditchley conference illustrate the fact that IMDI is a transmission belt for business to carry its concerns and issues to government partners and leaders, and vice versa.

Mr. Speaker, I believe the foregoing conveys the essence of what IMDI is all about. It stresses the need for a bold new vision to deal with immediate challenges. It is concerned about slippage on both the trade and economic front and sees us plagued by what it calls the FUD factor, namely Fear, Uncertainty, and Doubt. It believes that America, Europe, and the global economic community stand poised at an exciting, promising, yet highly dangerous turning point in human history.

IMDI members believe we can begin to prepare a design of a bold new vision. A critical moment for presenting this design will be when IMDI meets with the new leadership of the White House and Congress on March 17-18, 1993, during the important first hundred days following the U.S. elections. At that point, IMDI will present and discuss its next "White Paper/Special Report to the President and Congress of the United States." This mission of vision is what IMDI is all about. With it, we can begin getting down to working out the details. The devil may indeed lie in the details, but IMDI sees a much bigger devil in lack of a vision to get going.

WHO'S LOSING RUSSIA?

HON. HARRY A. JOHNSTON II

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1992

Mr. JOHNSTON of Florida. Mr. Speaker, former President Nixon asked:

What has the United States * * * done so far to help Russia's first democratic, free-

market oriented, non-expansionist government?

His answer: Some grain, a few Peace Corps volunteers and an easy "photo-op" international conference, comprising a "pathetically inadequate" response to the changes in the former Soviet Union.

While I am not accustomed to quoting President Nixon, I believe that his recent memorandum entitled "How to Lose the Cold War" is a devastating commentary on this Administration's policy toward Russia and the other former Soviet republics. Mr. Nixon makes a strong case that our stake in the success of President Boris Yeltsin's reforms is enormous, but that our response to date has been slow, timid, and superficial. As he says, "The hot-button issue in the 1950's was, 'Who Lost China?' If Yeltsin goes down, the question of 'who lost Russia' will be an infinitely more devastating issue in the 1990's."

I highly recommend to my colleagues the following articles from today's New York Times—one by the Times' Thomas Friedman and the other by National Public Radio's Daniel Schorr—which summarize Mr. Nixon's views and provide excellent analyses of President Bush's growing failure to seize this historic moment.

[From the New York Times, Mar. 10, 1992]

NIXON SCOFFS AT LEVEL OF SUPPORT FOR
RUSSIAN DEMOCRACY BY BUSH

(By Thomas L. Friedman)

WASHINGTON, March 9.—Former President Richard M. Nixon has sharply criticized President Bush and Secretary of State James A. Baker 3d for what he calls the Administration's pathetic support of the democratic revolution in Russia. He says one of the historic opportunities of this century is being missed.

In a memorandum circulated among friends and foreign affairs experts, Mr. Nixon faults Mr. Bush and other candidates for virtually ignoring the issue in the Presidential campaign.

Mr. Nixon argues passionately that if President Boris N. Yeltsin fails in his effort to transform Russia into a free-market democracy, everything that has been gained in the peaceful revolution there in 1991 will be lost. He said that would weaken democratic forces and embolden dictators from China to Eastern Europe and from the Middle East to Korea.

AS IF A PENNY-ANTE GAME

Despite having so much at stake, Mr. Nixon says, the Bush Administration's support for Russia in some areas is comparable to assistance extended to a small country like Burkina Faso, formerly Upper Volta.

"The stakes are high, and we are playing as if it were a penny-ante game," Mr. Nixon said.

While not mentioning Mr. Bush or Mr. Baker by name in his critical passages, Mr. Nixon leaves no doubt about the way he feels they have inadequately supported President Yeltsin. The Administration's support has been primarily \$3.75 billion in commercial credits to buy American grain, and an international aid conference in Washington that produced a onetime airlift made up of medical supplies and enough leftover Persian Gulf war rations to feed Moscow for one day.

'PHOTO-OPPORTUNITY' PARLEY

"What has the United States and the West done so far to help Russia's first democratic, free-market oriented, none-expansionist gov-

ernment?" Mr. Nixon asks in the memo. "We have provided credits for the purchase of agricultural products. We have held a photo-opportunity international conference of 57 foreign secretaries that was long on rhetoric but short on action."

"We have decided to send two hundred Peace Corps volunteers—a generous action if the target of our aid were a small country like Upper Volta but mere tokenism if applied to Russia, a nation of almost 200 million people covering one-seventh of the world's landmass," he added. "This a pathetically inadequate response in light of the opportunities and dangers we face in the crisis in the former Soviet Union."

Mr. Nixon argued that the United States and its Western allies should provide much larger amounts of humanitarian aid, reschedule the debts incurred by the former Soviet Union until the new market economy begins to function, and create a multi-billion dollar fund to help stabilize the Russian ruble as soon as Russia gets control of its money supply.

His critique comes at a time when Mr. Bush has almost forsaken the foreign policy front as he concentrates on his re-election. Administration foreign policy experts have been complaining privately that the President has become so concerned about the isolation trends in the country—which his main Republican rival, Patrick J. Buchanan, has been encouraging—that he has not only muted his support for foreign aid and increased assistance to the former Soviet lands, but he has also virtually stopped talking about foreign policy at all, except to extol the victory in the gulf war.

The only reason that the Administration now has \$400 million to spend in helping Russia and the other republics dismantle their nuclear weapons is because the money was pushed through by Congressional Democrats last year, without the support of Mr. Baker or Mr. Bush.

TAKING ISSUES TO VOTERS

Congressional leaders have told the Administration that if it wants a 1992 foreign aid bill that will include such things as money for international peacekeeping operations and increased contributions to the International Monetary Fund so it can help Russia, the President is going to have to get out and fight for it in Congress and with the public.

"The American people overwhelmingly oppose all foreign aid because they want to see that money spent on solving our problems at home," said Mr. Nixon, who published a sanitized, much less critical version of his memo in Time magazine this week. "But the mark of great political leadership is not simply to support what is popular, but to make what is unpopular popular if that serves America's national interest."

"What seems politically profitable in the short term may prove costly in the long term," he added. "The hot-button issue in the 1950's was 'Who lost China?' If Yeltsin goes down, the question 'Who lost Russia?' will be an infinitely more devastating issue in the 1990's."

The Democratic Presidential candidates, none of whom have much foreign policy experience, have not been much more aggressive than the President on the Russian aid issue. While all have said that Russia and the other former Soviet republics should be helped in their move toward democracy, none has made the issue a centerpiece of his election campaign or pushed it as a major item in his campaign advertising.

Mr. Nixon's memorandum is the latest of many public policy pronouncements that

have helped to refurbish the image of the former President, who resigned in disgrace in 1974 over the Watergate scandal. Mr. Nixon has also just published a book, "Seize the Moment: America's Challenge in a One-Superpower World."

He begins his analysis in the memo by writing, "While the candidates have addressed scores of significant issues in this Presidential campaign, the most important issue since the end of World War II—the fate of the political and economic reforms in Russia—has been virtually ignored."

What will determine whether "the final battle of the cold war will be won or lost," he argued, is whether "President Yeltsin's economic reforms succeed in creating a successful free-market economy."

If Mr. Yeltsin fails, Mr. Nixon said, "war could break out in the former Soviet Union as the new despots use force to restore the 'historical borders' of Russia."

"The new East European democracies would be imperiled," he continued. "China's totalitarians would breathe a sigh of relief. The new Russian regime—whose leaders would cozy up to the Soviet Union's former clients in Iraq, Syria, Libya and North Korea—would threaten our interests in hot spots around the world."

In light of these stakes, "the West must do everything it can to help President Yeltsin succeed."

SIX STEPS OUTLINED

"The bottom line," Mr. Nixon said, "is that Yeltsin is the most pro-Western leader of Russia in history." He said the West must help the Yeltsin Government in six ways:

By providing humanitarian food and medical aid to get the Russian Government through the critical months until the reforms start working.

By creating a "free-enterprise corps" that will send thousands of Western managers to Russia to infuse newly independent enterprises with capitalists tools.

By rescheduling Soviet debt incurred under President Michael S. Gorbachev and defer interest payments until the new market economy begins to function.

By allowing greater access to Western markets for Russia's exports.

By joining with other industrial nations "to provide tens of billions of dollars for currency stabilization through the I.M.F. as soon as Russia gets control of its money supply."

By creating a single Western-led organization to coordinate government and private aid to Russia and other republics, as the United States did in rebuilding Europe after World War II.

The Nixon Library is holding a two-day foreign policy conference in Washington starting Wednesday, and Mr. Bush will be giving the keynote address. This may explain why the last paragraph in his analysis contains the only explicit reference to the President:

"President Bush is uniquely qualified to meet this challenge," Mr. Nixon said, because the leadership he exhibited in the gulf war "can insure that the cold war will end not with just the defeat of Communism but also with the victory of freedom."

[From the New York Times, March 10, 1992]

HOW TO LOSE THE COLD WAR

(By Daniel Schorr)

WASHINGTON—President Bush, on the defensive against "America Firster" Patrick Buchanan and "America Come Home" Democrats, is in danger of snatching defeat from the jaws of cold war victory.

Says who? Says Richard M. Nixon, that's who.

The former President is coming to Washington tomorrow for a conference organized by his Presidential library on "America's changing role in the world." A memorandum he has privately circulated in advance is titled "How To Lose the Cold War." It makes clear that he is planning a head-on challenge to the Bush Administration's faltering response to the crisis in the former Soviet Union.

The strikingly blunt four-page memorandum suggests that the Pentagon planners who, according to an article in this newspaper on Sunday, foresee a world where America is No. 1 and internal upheaval in the former U.S.S.R. is nothing to worry about, are not living in the real world.

In the real world, according to Mr. Nixon, if reform fails to produce a better life for Russia and the other former Soviet Republics, "a new and more dangerous despotism will take power, with the people trading freedom for security and entrusting their future to old hands with new faces."

"The West," Mr. Nixon says, "has failed so far to seize the moment to shape the history of the next half-century. * * * If [Russian President Boris] Yeltsin fails, the prospects for the next 50 years will turn grim. The Russian people will not turn back to Communism. But a new, more dangerous despotism based on extremist Russian nationalism will take power. * * * If a new despotism prevails, everything gained in the great peaceful revolution of 1991 will be lost. War could break out in the former Soviet Union as the new despots use force to restore the 'historical borders' of Russia."

In his scary scenario of a reconstituted nationalist Russia, Mr. Nixon sees renewed threats around the world, from former Soviet clients like Iraq, Syria, Libya and North Korea, contributing to a spread of conventional weapons, ballistic missiles and nuclear technology.

"If freedom falls in Russia," the memorandum says, "we will see the tide of freedom that has been sweeping over the world begin to ebb, and dictatorship rather than democracy will be the wave of the future."

Mr. Nixon, never one to understate his case, is clearly seeking to jolt the Bush Administration into accepting the survival and success of President Yeltsin as something like a national emergency for the United States. For Mr. Nixon, there may be unconscious self-identification with Boris Yeltsin when he writes, "like all strong leaders who try to make a difference, Mr. Yeltsin is not perfect. He has made serious mistakes. But he is an extraordinary historic figure."

What the U.S. and the West so far have done to aid Yeltsin's Russia—grain credits, a "photo-opportunity international conference" in Washington in January, an airlift of surplus food, a Peace Corps contingent—Mr. Nixon views as a "pathetically inadequate response in light of the opportunities and dangers we face in the crisis in the former Soviet Union."

The former President proposes a "crucial" six-point program including humanitarian food and medical aid; a "free enterprise corps" of Western-managers to help with free market skills; the rescheduling of the Soviet debt and interest payments; greater access for Russian exports to Western markets; participation in a ruble stabilization fund, and the creation of a single Western organization to coordinate governmental and private aid projects.

The U.S., he continues, must "provide the leadership" and "bear our share of the bur-

den." Mr. Nixon warns: "The stakes are high and we are playing as if it were a penny-ante game."

Directly challenging President Bush, the former President acknowledges the current unpopularity of foreign aid and asserts that "the mark of great political leadership is not simply to support what is popular but to make what is unpopular popular if that serves America's national interest."

"President Bush is uniquely qualified to meet this challenge," says Mr. Nixon. "The brilliant leadership he demonstrated in mobilizing the coalition abroad and the American people at home to win victory in the Persian Gulf can insure that the cold war will end not just with the defeat of Communism, but also with the victory of freedom."

However flattering the wording of Mr. Nixon's challenge, it is bound to add to President Bush's predicament. He, too, has been lavish in praise of President Yeltsin, but has shown himself hesitant to make any substantial investment in the success of the new Russian Government.

In December, the Administration failed to support a move in Congress to designate \$1 billion in the defense budget for disarming nuclear weapons and avoiding an atomic "brain drain" in the former Soviet Union. Since then, the Administration has proposed a \$25 million institute in Moscow to employ some of the thousands of nuclear scientists and technicians left jobless by the country's breakup.

But this falls woefully short of the need. As Mr. Nixon noted, American assistance has been largely symbolic. The Administration has been less than vigorous in pressing Congress to make good on President Bush's pledge to increase resources of the International Monetary Fund to help finance assistance to the former Soviet republics.

More preoccupied with his candidacy than with his Presidency, Mr. Bush has shown little inclination to come more dramatically to Russia's support. And Mr. Nixon by implication criticizes the President for becoming too preoccupied with domestic issues. "Tinkering with the tax code or launching new domestic initiatives will have little economic significance," he says, "if a new hostile despotism in Russia forces the West to rearm."

It is ironic that the President should find himself in a foreign policy face-off with both an interventionist Republican predecessor and an isolationist Republican aspirant, but not with his Democratic opponents. Mr. Bush has been under some criticism in Congress, notably from Representative Les Aspin, Democrat of Wisconsin and Chairman of the House Armed Services Committee, for an inadequate response to the crisis in the former Soviet Union. But the Democratic candidates, who collectively have little foreign policy experience, have tended to concentrate on domestic issues. So Mr. Nixon stands almost alone in flinging down the interventionist gauntlet to a President who has seemed more worried about isolationist sentiment.

As chilling a warning as any is this statement from Mr. Nixon: "The hot button issue in the 1950's was, 'Who lost China?' If Mr. Yeltsin goes down, the question of 'Who Lost Russia?' will be an infinitely more devastating issue in the 1990's."

Mr. Nixon has also made sure that the incumbent will not be able to duck the question. Tomorrow, the former President will give the keynote speech at his conference. (The printed program lists him as "President

Richard Nixon.") The scheduled speaker at the dinner that evening is President Bush.

It has been a long time since Mr. Nixon positioned himself so well to shake up the policy of a Republican Administration. The two will undoubtedly have a lot to talk about at the dinner table.

TRIBUTE TO EUFAULA, AL,
PRESERVATIONISTS

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1992

Mr. DICKINSON. Mr. Speaker, today I would like to pay tribute to five residents of the Second Congressional District who were recently honored by the Alabama Historical Commission for their historic preservation efforts. The commission, celebrating its 25th year, named Douglas C. Purcell, Mrs. George Alexander, L.Y. Dean III, Mrs. Carl Strang, and Joel P. Smith Silver Anniversary Award recipients.

These recipients are all citizens of the beautiful, historic town of Eufaula, AL where preservation efforts were begun prior to the creation of the historical commission by the Alabama State Legislature. The activities of these award winners have been vital to ongoing preservation activities in the Eufaula area.

Mrs. Strang chaired the first Eufaula Pilgrimage in 1966. She has also been active in the Eufaula Heritage Association and has served on the board of the Historic Chattahoochee Commission. While serving on the commission she was instrumental in the publication of historic books and pamphlets devoted to the Lower Chattahoochee River Valley's history.

Mrs. Alexander had a leading role in obtaining grant funds for and conducting a historic buildings survey in Eufaula. She successfully nominated the Seth Lore Historic District and Glenville's historic district for recognition on the National Register of Historic Places. She also helped to secure a HUD grant for the restoration of the antebellum Wellborn House, the area's first Greek revival mansion.

Mr. Purcell serves as Alabama adviser to the National Trust for Historic Preservation and has been nationally recognized. He was an organizer of the Historic Chattahoochee Commission, for which the first bi-State compact for a preservation commission was passed by Congress. He has published an article in a recent issue of Historic Preservation Forum. He is past president of the Alabama Preservation Alliance and a frequent speaker at regional and national heritage tourism conferences.

Mr. Dean, president of Eufaula Bank and Trust, set the bank's policy of making generous loans at low rates to foster historic restoration projects. He has become an avid spokesman for historic preservation in Alabama.

Mr. Smith, a past president of the Heritage Association, has authored several articles about Eufaula's historic properties and the Eufaula Pilgrimage. He has twice received the Alabama Historical Commission's distinguished preservation award. He and his wife, Ann, were charter members of the Alabama

Live-In-A-Landmark Council. Smith also restored the Lampley-Robinson pioneer cottage, which now houses the offices of "The Eufaula Tribune."

I ask Members of Congress to join with me in recognizing these citizens for their central roles in helping Eufaula become "Symbol of the Old South" while remaining "Cradle of the New."

[From the Eufaula Tribune, Dec. 11, 1991]
FIVE HONORED FOR HISTORIC PRESERVATION EFFORTS

Five Eufaulians were among Alabama's historic preservationists honored in Montgomery during the Alabama Historical Commission's historic preservation conference, celebrating the commission's 25th anniversary.

Silver anniversary awards were given in honor of Alabama's pioneer preservationists. Those from Barbour County who were recognized were: Douglas C. Purcell, Mrs. George Alexander, L.Y. Dean III, Mrs. Carl Strang and Joel P. Smith.

Several of the Eufaulians' involvement with historic preservation began before the Historical Commission was chartered by the Alabama Legislature.

Progress and preservation have gone hand in glove in historic Eufaula. Following the impoundment of the Chattahoochee River, and creation of Lake Eufaula, progress became so rapid—with construction of new inland docks, big industries, new motels, apartments and new homes—heritage-conscious Eufaulians worried about old landmarks being destroyed to make way for new buildings. Other vintage buildings were victims of demolition by neglect.

When a house-wrecking crew demolished the antebellum home of Gov. William Jelks, many local people began to wonder if something couldn't be done to preserve some of the town's proud old buildings. When Shorter Mansion was placed on the auction block in the summer of 1965, a small group appealed to the Eufaula City Council. Mayor E.H. Graves Jr. appointed Joel P. Smith, Tribune publisher, chairman of a citizens' committee to look into the possibility of bidding on the Greek Revival-style mansion on North Eufaula Avenue.

They purchased the showplace with its handsome Corinthian columns, for \$33,000. Townspeople pledged or gave more than \$50,000 toward preserving the mansion that was admired by tourists. "The Eufaula Heritage Association was born, not organized," President Yank Dean often quipped. He served as Heritage Association president and Mrs. Strang served as vice-president until 1972 when Smith and Mrs. Martha Houston were elected to the respective offices.

Dean, president of EB&T, maintained Eufaula didn't need a revolving fund, as did Savannah, where endangered landmarks were purchased. The bank made generous loans at low rates to foster restoration projects. He became a spokesman for historic preservation in Alabama.

Mrs. Strang chaired the first Eufaula Pilgrimage, 27 years ago. She helped organize the community and a small army of Eufaula ladies, dressed in period costumes, hosted the 2,000 visitors who came to the Bluff City's first tour of homes in 1966. She insisted the Heritage Association be led by successful men in the community, fearing it could evolve into an historical society rather than a preservation-oriented organization.

Mrs. Strang also served on the Historic Chattahoochee Commission's board and played a leading role with the commission's

publication of historic books donated to the Lower Chattahoochee Valley's history and pamphlets promoting the basin's historic properties.

Mrs. Alexander assisted AHC director Warner Floyd in seeking a grant to fund an historic buildings survey in Eufaula. She and Mildred Houston worked with volunteers who researched the deeds on the town's historic buildings. She also did necessary paperwork to successfully nominate the Seth Lore Historic District and Glennville's historic district to the National Register of Historic Places.

She completed research for an application for a HUD grant to restore the antebellum Wellborn House, the area's first Greek Revival mansion. The Eufaula Arts Council moved from Orange Street to Front Street, where it was restored as an art museum.

Purcell, Alabama advisor to the National Trust for Historic Preservation, is a nationally-recognized preservationist. The fledgling Historic Chattahoochee Commission was organized under his directorship and the first bi-state compact for a preservation commission was passed by Congress. Historic Preservation Forum recently published his article on the Chattahoochee Commission's operations, and he is a frequent speaker at regional and national heritage tourism conferences. He is a past president of the Alabama Preservation Alliance.

Smith is a past president of the Heritage Association and has written several magazine articles, including one in Antiques magazine, about Eufaula's historic properties and the Eufaula Pilgrimage. Twice he received the Alabama Historical Commission's distinguished preservation award and he and Mrs. Smith were charter members of the Alabama Live In A Landmark Council. Once the award was shared with his wife, Ann. They often open their antebellum home they restored for the Pilgrimage and other, preservation events. Smith also restored and adapted the Lampley-Robinson pioneer cottage as offices for The Eufaula Tribune.

TRIBUTE TO SY MAXWELL

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1992

Mr. BERMAN. Mr. Speaker, I rise today to pay tribute to an outstanding leader and my good friend—Sy Maxwell. The Boys and Girls Club of the San Fernando Valley will be honoring Sy with the prestigious Golden Man Award in recognition of his outstanding service to the children of the San Fernando Valley.

Sy believes deeply in the work of the Boys and Girls Club and has long been an active member and officer of the board of directors. In recent years, he has served as vice president, secretary, and member of the executive committee.

Sy has earned his distinguished record of achievement in the San Fernando Valley. He has worked as an insurance broker and agent since 1955, and is the founder and present partner of a successful regional insurance firm. Sy has also diligently supported the Independent Insurance Agents & Brokers Association of California in a variety of capacities during his career. His longstanding commitment to the association includes distinguished serv-

ice as president of the San Fernando Valley Chapter in 1969 and 1970, first chairmanship of the professional liability and workers' compensation committees, as well as being a 20-year member of the legislative committee, the last 4 years as chairman. Most recently Sy has served as member of the board of directors.

Throughout his life, Sy has consistently put his commitment to improving the quality of life in our community ahead of personal or material gain. He has set exemplary standards of excellence not only in his professional career, but in his private life through his tireless efforts on behalf of numerous community and social issues. He is founder and member of the board of directors of Insurance Council for the City of Hope and past president of its Club 500. He is also past president of the Beverly Hills Business & Professional Mens Association.

Sy and his lovely wife Charlotte have four children who share our pride in his many accomplishments. It is my distinct honor to ask my colleagues to join me in saluting Sy Maxwell whose many years of community service are an inspiration to us all.

DR. DANIEL MINTZ: A CARING
PHYSICIAN WITH A MISSION

HON. ILEANA ROSLEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1992

Ms. ROSLEHTINEN. Mr. Speaker, I would like to pay tribute to a physician who has devoted over two decades in the research and development of a cure to a disease which kills 300,000 Americans a year, children and adults alike, and has become the third leading cause of death in the United States. The disease is diabetes and the physician is Dr. Daniel Mintz, director of the Diabetes Research Institute at the University of Miami.

Diabetes already affects 14 million Americans. The disease occurs when the body cannot produce its own insulin, which helps regulate blood-sugar levels and carbohydrates. It decreases the amount of energy provided to the body and can shorten a person's life.

Dr. Mintz and his team of 70 doctors and researchers have in the past few years astonished the medical community with a major accomplishment in the research of diabetes. They are now able to reverse diabetes in a procedure which involves transplanting insulin-producing islets into the patient's liver.

This procedure, which was first tested in a human patient in 1989, is merely in its developing stages. But Dr. Daniel Mintz has a mission: To quickly find a cure to this disease, an achievement that would allow patients to enjoy the freedom they so much desire.

This freedom might come sooner than expected. A \$60 million state-of-the-art diabetes research and treatment center is scheduled for completion next fall at the university's medical school campus. Dr. Mintz has recently begun recruiting 200 of the best scientists in the world to join his already prestigious staff. His ambition is to have these leading scientists and researchers work together to coordinate

their efforts, minimize duplication, and keep the program focused.

Dr. Mintz has great hopes for the future. I am confident that with his commitment and dedication, and that of his team of health care professionals, a cure to this devastating disease is imminent.

I am proud to have this opportunity to honor Dr. Daniel Mintz, a physician who deeply cares for his patients and understands their frustrations. His hope and devotion to his work is an inspiration to us all.

SALUTE TO THE SEABEES

HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1992

Mr. GALLEGLY. Mr. Speaker, I am proud to rise today to honor the U.S. Navy Seabees as they mark their 50th anniversary, as well as the golden anniversary of the Naval Construction Battalion Center in Port Hueneme, CA.

Formed during the early days of World War II, the Seabees from the first letters of construction battalion—performed remarkable feats of construction during World War II, participating in every major invasion in both the Pacific and Atlantic theaters of operation. Military historians agree that the Seabees played a significant role in the Allied victory, particularly in the war against Japan.

After serving with distinction in both the Korean and Vietnam wars, the Seabees showed their can-do spirit during Operations Desert Shield and Desert Storm, where they provided swift assistance in moving equipment and supplies and building key facilities. They off-loaded Marine Corps equipment and supplies, built a 500-bed hospital, 10 camps, a prisoner of war compound, 3 galleys, 10 aircraft parking aprons, 2 runways, 2 hangars, 3 ammunition supply points, and 4 medical facilities.

In addition, by building 200 miles of four-lane highway in the sands of Saudi Arabia, the Seabees enabled our ground forces to achieve their incredibly successful end run against entrenched Iraqi forces. As President Bush said, our brave Seabees literally paved our way to victory.

Mr. Speaker, I ask my colleagues to join me in saluting the outstanding men and women of the Seabees, particularly those stationed at Port Hueneme, for their accomplishments and for their continued role in helping provide for the common defense.

COMMEMORATING THE 60TH ANNIVERSARY OF THE HUNGER MARCH

HON. JOHN D. DINGELL

OF MICHIGAN

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1992

Mr. DINGELL. Mr. Speaker, today we rise to commemorate a dark day in the history of the

American labor movement. March 7, 1992, marked the 60th anniversary of the hunger march staged by Detroit's Unemployed Councils at Ford Motor Co.'s Dearborn auto plant.

The hunger march was a watershed in the American labor movement. The dreadful events of the day served as a catalyst for change. The needless brutality raised public consciousness, helped to sweep Franklin Delano Roosevelt into office, and focused needed attention on the struggles of our working men and women.

On that bitter winter morning in 1932, during the height of the Great Depression, nearly 5,000 jobless workers from Ecorse, Detroit, River Rouge and countless other southeastern Michigan communities assembled in Detroit at Oakwood and Fort Street, and prepared to stage a hunger march on Ford's Dearborn auto plant to demand jobs, medical aid and emergency relief for the unemployed. As the procession entered the city of Dearborn, crossed Dix Avenue and approached gate three of the factory with the intention of delivering a petition to Ford officials, they were confronted by city firemen and police officers, who prepared to drench the crowd with fire hoses. The Dearborn police, perhaps nervous over rumors that the hunger marchers had been infiltrated by Communist agitators who intended violence, hurled tear gas canisters into the orderly procession. A few protesters picked up pieces of coal and rocks from the street to defend themselves against the police barrage. Without warning, from inside the gates of the plant, Dearborn police and guards from Ford Motor Co.'s infamous service department leveled their guns at the marchers and opened fire, spraying the crowd with hundreds of rounds of ammunition. In the chaos that ensued, several panicked protesters were trampled as the crowd bolted and ran. When the smoke had cleared, four people lay dead outside the plant's gates and over 50 unarmed demonstrators lay wounded and bleeding on Miller Road.

Instead of denouncing this attack on unarmed marchers, Dearborn and Detroit police officers used the incident as an excuse to launch a brutal crackdown on local workers, raiding the auto workers union headquarters, several ethnic meeting halls, and the homes of various union leaders. Police officers even went so far as to handcuff two of the seriously wounded hunger marchers to their hospital beds in a Detroit hospital on the premise that they were leftist agitators.

Five days later, nearly 60,000 people participated in a mass funeral procession for the slain hunger marchers. As they marched singing from Ferry Street to Grand Circus Park, their songs could be heard throughout the city.

The repercussions of March 7, 1932, were tremendous. While some in the business community used the incident as an excuse to charge Communist influence over unions, it is widely condemned even in most quarters of the business community as an unprovoked attack on unarmed, peaceful workers.

The 60th anniversary of the hunger march stands as a benchmark of how far working Americans have come, and as a rallying point for their continuing struggle. We ask our colleagues to join us today in remembering this dark anniversary and those who suffered and

died fighting for the dignity of working men and women in the United States.

This anniversary reminds us of both the struggles and the tremendous accomplishments of the American labor movement. Millions of American workers have contributed to the emergence of the United States as a world power and bolstered our Nation in times of hardship and prosperity. Organized labor has made vast strides over the past century by listening and tirelessly striving for fair working conditions and a decent standard of living for all Americans.

Organized labor has succeeded in bringing about legislation to require minimum wages, maximum hours, and progressive child labor laws. In addition, our labor movement has been instrumental in creating unemployment insurance in an effort to provide for the financial security of millions of wage earners. Through the force of collective bargaining and political organization, labor unions have often functioned as our social conscience, and engineered positive changes.

Additionally, the American labor movement has served as one of the foremost proponents of civil rights and legal services legislation and continually fought for increased Federal aid to education. In recent years, the labor movement has advocated comprehensive child care legislation, employer-provided family and medical leave legislation, and a national health care policy.

Labor's legislative successes have included the creation of the Occupational Safety and Health Administration, pension protection legislation, measures increasing the minimum wage, plant closing legislation, and polygraph testing protection measures.

The history of the labor movement in the United States serves as a source of immense pride. During the 60th anniversary of the hunger march, we pause to remember the major contributions working men and women in the labor movement have made, and will continue to make, in our everyday lives.

A TRIBUTE TO MENACHEM BEGIN

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1992

Mr. GILMAN. Mr. Speaker, earlier this week the world lost one of the premier leaders of the 20th century. Menachem Begin, a patriot who played a pivotal role in the development of Israel, will always be remembered as an outstanding national leader whose cherished beliefs helped to usher in a new world era.

The death of former Israeli Prime Minister Menachem Begin sadly brings the curtain down on an important chapter of Middle East history, and on a proud chapter in the history of Israel.

Prime Minister Begin was one of the few remaining survivors of that generation of Israeli freedom fighters who brought Israel's existence into being. His hard-nosed hawkish approach and his adherence to firmly rooted principles throughout his 50-year fight for Israel's integrity, began when he escaped the Nazis in 1942, after they had murdered his family.

David Ignatius, foreign editor of the Washington Post, writes of Begin in this morning's edition of that newspaper:

He was born into his generation of holocaust and redemption, and it was foolish of the Americans, let alone the Arabs, to imagine that they could ever sweet-talk Begin out of it, and into a sense of security and confidence that his entire history denied.

For Begin was a creation of his generation—a generation which Begin himself described as follows: "I survived 10 wars, two world wars, Soviet concentration camp, five years in the underground as a hunted man and 26 years in opposition in the Israeli parliament."

Menachem Begin, who survived hardships and horrors which seem almost unbelievable today, came to power as Prime Minister of Israel in 1977. The world trembled, for many feared that his hardline policies would undermine efforts for peace. Instead, his dedication to principles led to the only negotiated peace between Israel and any Arab State to date—an outstanding accomplishment which brought him the richly deserved 1978 Nobel Peace Prize, which he shared with Egypt's President, Anwar Sadat, who shared Begin's vision and courage.

Mr. speaker, I came to know Menachem Begin personally through my work on the House Foreign Affairs Committee. I had a high regard for his strong leadership and his dedication to his homeland and to the Israeli people.

He also came to be respected for his farsightedness, as exemplified by his bringing about Israel's destruction of the Iraqi processing plant where Saddam Hussein was assembling nuclear weapons. This act, in 1981, was widely criticized at the time. Subsequent events, however, proved Begin to be prescient.

Menachem Begin stepped down as Prime Minister of Israel in 1983. Sources close to him disclosed, after his death earlier this week, that he never forgave himself for being out of Israel on a mission to the United States, away from his family, when his wife died. Samuel Lewis, who was U.S. Ambassador to Israel, stated: "He always felt guilty, unfairly guilty, for not having been at her side."

Mr. Speaker, Menachem Begin's name will long appear in bold print in world history. I invite all of our colleagues to join with me in expressing condolences to his family, and do all of Israel, who have lost a genuine champion.

NATIONAL FOREIGN LANGUAGE WEEK

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1992

Mr. PANETTA. Mr. Speaker, I rise today to celebrate the 34th Annual National Foreign Language Week. National Foreign Language Week is designated every year as the first week in March and was first proclaimed by President Eisenhower in 1958 to acknowledge the importance of foreign languages as a key to understanding and opportunity.

As we approach the 21st century, our Nation faces global complexities and challenges never before countered in the history of mankind. As nations continue to become more interdependent, our citizens must possess the skills to effectively interact with our competitors, cooperate with our allies, and address our major world concerns. Support for foreign language acquisition and international education is particularly critical at this time due to the political and economic climate of our planet. Today's changing world conditions are focusing the attention of America on the inescapable reality of linguistic and cultural diversity—diversity which requires an increased commitment to prepare ourselves for the challenge of working harmoniously with other nations, and doing so in their language rather than demanding that they do it in ours.

Currently, the United States falls dangerously behind most other nations of the world in meeting the educational requirements which provide us with the necessary skills to communicate with other nations and understand other cultures. We are part of a global community and it is essential for people from the United States to communicate with others. Earlier foreign language instruction in American schools would give our youth better and broader professional opportunities. It would also create an essential awareness that the United States is not an island alone in the world. If we do not create that awareness, the United States faces a future less bright than our children deserve.

Americans have always lagged behind other countries in learning foreign languages, but rarely has the situation been so discouraging as it is today. Devoting the necessary years to understanding the ways of another country is the classic long-term investment: promoting expertise in foreign cultures is indisputably in the national interest. Peoples and languages which were once remote are no longer, for in many of our communities the strange sounds of unrecognizable languages and the sometimes misunderstood ways of other cultures are those of our neighbors. It is becoming increasingly apparent that we need knowledge and proficiency in other languages and cultures to cope on an everyday basis.

In recent years, I have had specific interest in helping to redress the lack of American competence in language and culture proficiency. During the last few Congresses, together with colleagues such as PAUL SIMON, CHRISTOPHER DODD, BILL BRADLEY, and GEORGE SANGMEISTER, I have introduced the National Security Through Foreign Language Assistance Act, the National Bureau of Language Services Act, the Foreign Language Assistance Act, the International Education for a Competitive America Act, and National Geography Awareness Week. Perhaps of greatest significance, for fiscal year 1991, Congress finally recognized the need to provide funding for the Foreign Language Assistance Act. I am very pleased that Congress approved increases in funding in this program, and title VI programs, which provide ongoing support for a broad category of foreign fellowships, research, study abroad, language and area studies centers, and centers abroad for intensive study of critical languages and cultures. It is these programs which provide the founda-

tion for foreign language and international studies education in U.S. higher education.

To help us enhance current education programs, create alternative education programs, assist small and medium businesses, encourage qualified teachers, and provide the necessary high level government expertise, I have introduced the Global Education Opportunities Act, H.R. 1154, which now has the support of 100 of my colleagues. Title I of this bill would provide in-service programs for foreign language teachers, training for elementary foreign language teachers, distance learning programs, the creation of state and municipal institutes to assist business and professions in gaining international competence, grants for developing materials in elementary foreign language, culture, geography, and international studies, and support for consortia in critical languages and area studies. Title II encourages undergraduate study abroad, makes it easier for students to use grants and other assistance for study abroad, and adds a study abroad dimension to other international programs. Such initiatives would provide a good start toward closing the gap between the rest of the world and the United States in international expertise and second language competency by the beginning of the 21st century.

Today we face a time in human existence that is truly a historical crossroads. We inhabit a globe characterized by terrorism, revolution, overpopulation, environmental degradation, widespread hunger, and regional warfare. We must seize the moment and begin now to develop the knowledge and understanding necessary to cope with these current global complexities and shape a better future. More than any other contemporary crises, the greatest danger we face is the quiet crises of global incompetence and lack of international understanding. We cannot delay, we cannot postpone, we cannot tarry. Our vision for the future and how we respond to it must begin now.

EDITORIAL SHOWS VOTERS' SUPPORT FOR LINE-ITEM VETO

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1992

Mr. SOLOMON. Mr. Speaker, we're supposed to represent the will of the American people, but in no other instance have we defied that will more than in denying the President the line-item veto.

Take heed, ladies and gentlemen, because out in the heartland of America, outside this Washington Beltway fishbowl, the people are demanding action on curbing the irresponsible spending of this Congress. Some of you will not, I'm sure, take heed, and many of you aren't going to be here next year.

As proof of this growing sentiment I proudly place in today's RECORD an editorial from my hometown newspaper, the Glens Falls Post-Star, which urges President Bush to challenge Congress on this issue. And I hope he does.

[From the Glens Falls Post-Star, Mar. 10, 1992]

SHOWDOWN OVER POWER OF PURSE

A showdown is looming between President Bush and spendthrift Democrats in Congress over the line-item veto.

The Senate recently rejected a measure sponsored by conservative Republicans that would formally accede to the chief executive more control over spending. In response, the White House is hinting that Mr. Bush may unilaterally exercise a line-item veto and let the issue be resolved once and for all by the Supreme Court.

Constitutional scholars are divided on whether the president already possesses line-item veto authority. In fact, Attorney General William Barr testified at his Senate confirmation hearing that he found "no basis for an inherent line-item veto in the Constitution."

Others, like Rep. Tom Campbell, R-Calif., a former Stanford law professor, disagree. They cite the "presentment" clause of the Constitution, which requires that every individual bill passed by congress be presented to the president for his approval or rejection.

Congress circumvents this constitutional requirement by folding various unrelated measures into omnibus spending bills, in effect forcing the president to approve on an indiscriminate basis both worthy spending items and wasteful ones.

This abrogation of constitutional checks and balances was dramatized by Ronald Reagan six years ago when he held up a 43-pound, 3,296-page omnibus bill that had been presented to him by Congress. He either had to sign it or plunge the federal government into chaos by vetoing it.

Is this good government? That is the question President Bush should raise as he stumps for the line-item veto.

Sen. Robert Byrd, D-W.Va., the irascible chairman of the Appropriations Committee, promises the mother of all battles if the President pushes too hard for the veto. "One man's pork is another man's job," says Byrd, who has carved out \$1.5 billion worth of pork for his home state during the last three years.

But the line-item veto is a winning political issue for Mr. Bush. Polls consistently show that more than two-thirds of the American people support this authority for the president. Surveys also show that many Americans are irate about Washington's profligate spending and runaway debt.

After all, why should taxpayers pick up the tab for such questionable spending as \$1.7 million to alter genetically Africanized honey bees or \$2 million to develop and stimulate sales of Native Hawaiian handicrafts? Why should they be shaken down for even \$100,000 toward prickly pear and mesquite research or \$200,000 for research into oil from the jojoba plant or \$75,000 for dairy goat research?

To members of Congress who control the public purse, these may seem trifling sums when measured against a \$1.5 trillion federal budget and a \$400 billion deficit. But, in the immortal words of the late Republican Sen. Everett Dirksen of Illinois, "A billion here, a billion there, and pretty soon you're talking about real money."

A fresh report by the independent General Accounting Office bears this out. It calculates that if a line-item veto had been in place between 1984 and 1989, the president could have saved taxpayers \$70 billion and reduced the deficit by 6.7 percent. That hardly amounts to loose change.

Whether a Republican or a Democrat is in the White House, the president should have a

line-item veto. Mr. Bush should make a constitutional stand for this executive authority.

IN HONOR OF THE SEPHARDIC HERITAGE WEEK

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1992

Ms. ROS-LEHTINEN. Mr. Speaker, I would like to pay tribute to the organizers and participants of the Sephardic celebration taking place from March 1 to 8 throughout south Florida.

Sephardic Heritage Week brings together members of our community or a celebration of faith, fellowship, and tradition. Artists, performers, authors, historians, scholars, and spiritual community leaders join in the commemoration of Sephardic Judaic tradition.

This 8-day celebration features live oriental music, varieties of traditional foods and pastries from Sephardic lands, photography and film exhibits, presentations, as well as several tributes to community leaders. Folk dances and productions as well as seminars featuring lectures, workshops, and discussions are a part of Sephardic Heritage Week.

In addition, a celebration of the Sephardim and the Discovery of America honors the 500th anniversary of Christopher Columbus.

I am proud to have this opportunity to honor and acknowledge the members of the executive committees and those who have participated in the production of the Sephardic Heritage Week celebration:

Isaac Garazi, president of the American Sephardi Federation of South Florida; Ezra Cohen, president of B'Nai Sephardim Shaare Shalom of Hollywood; Fanny Haim, president and Clarita Kassim, chairperson of the Hebraica of Mar-Jewish Community Center; David Immanuel, president of Congregation Magen David; Dr. Leon Behar, president of Fesela Committee Miami; Vicky Levy, president of the Sephardic American Club; Isidoro Behar, president of Sephardic Congregation of Florida Temple Moses; Dr. Henry Green, director of the Sephardic Studies Program at the University of Miami; Dr. Roberto Beraja, chairman of Sephardic Heritage Week 1992; Fred Alcheck, Joseph Alhadeff, Isaac Anidjar, Helen Barak, Alegre Behar, Enrique Behar, Ida Behar, Isidoro Behar, Raquel Behar, Dora Behar, Becky Behar, Eli Behar, Ing. Alberto Benhaim, Baruna Benhaim, Isaac Benharroch, Yehuda Ben-Horin, Prosper Benzrihem, Silvio Berlefin, Rosita Caspi, Dr. Isaac Cohen, Nena Cohen, Reina Del Castillo, Soli Djemal, Nelly Egozi, Meyer Elmaleh, Norie Erzoff, Rebeca Esquenazi, Jaime Farin, Brana Fils, Joseph Fils, Rafael Gamal, Anita Garazi, Esther Garazi, Salomon Garazi, Sebeto Garazi, Dr. David Mafдали, Juan Matalon, Rebeca Matalon, Victor Matalon, Blanca Maya, Dora Maya, Jose Maya, Samuel Maya, Verona Maya, Roger Mimoun, Ing. Jaime Mitrani, Esther Mitrani, Luna Mitrani, Alba Motola, Serge Otmezguine, Sylvia Otmezguine, Ted Pardo, Elias Salama, Valeria Wolberg, Sally Young, and Irving Young.

CONGRESSIONAL TRIBUTE TO CAPT. DON LEACH, LT. SHELBY ADAMS AND SGT. PAUL CONNELL

HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1992

Mr. GALLEGLY. Mr. Speaker, I rise today to salute three outstanding members of the Ventura County, CA law enforcement community—California Highway Patrol Capt. Don Leach, Lt. Shelby Adams, and Sgt. Paul Connell—who are being honored upon their retirement.

Don Leach began his career with the California Highway Patrol [CHP] in 1962, and assumed command of the Ventura area office in 1978. During his tenure, Captain Leach was involved in numerous departmental projects and community service organizations. Perhaps his most significant accomplishments were his roles in obtaining approval for the callbox network that now aids motorists on county highways, and for gaining approval to use radar on Highway No. 126, historically one of the most dangerous roads in the State.

Captain Leach should also be recognized for his highly successful role in supervising athlete transportation during the 1984 Los Angeles Olympic Games, and for helping to ensure the safety of former President Reagan during the President's motorcades from Point Mugu to his ranch in Santa Barbara.

Since his retirement last June, Captain Leach has continued his service on the Ventura County Fair Board, and has launched a new career as an attorney.

Shelby Adams began his career with the CHP in 1968 and served in a variety of capacities in the field and at headquarters in Sacramento. There, he participated in planning and goals development, and managed the department's disaster preparedness program.

After coming to Ventura in 1989, he formulated policies and procedures; developed deployment and enforcement strategies; served as liaison with elected officials and the news media; and served as the departmental representative on local community action committees before retiring in December.

It's been said that noncommissioned officers are the key to an army's success or failure, and the same is true of law enforcement. As a sergeant for 23 of his 27 years with the CHP, Paul Connell was an outstanding supervisor and motivator of his officers.

During his 20 years in Ventura County, Sergeant Connell also was directly in charge of protective service details, which are organized for the safe movement of dignitaries. For his thoroughness and close attention to detail during President Reagan's visit to the county, Sergeant Connell was praised by the Secret Service.

Although Sergeant Connell's seniority entitled him to be called the "senior sergeant," his peers believed he earned it through his knowledge and professionalism.

Mr. Speaker, I ask my colleagues to join me in honoring these outstanding veterans of law enforcement, and in wishing them well in retirement.

INTRODUCTION OF THE FEDERAL ENERGY EFFICIENCY BANK ESTABLISHMENT ACT

HON. MIKE SYNAR

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1992

Mr. SYNAR. Mr. Speaker, I rise today to introduce the Federal Energy Efficiency Bank Establishment Act of 1992. This bill is a companion of S. 1874, introduced by Senator KOHL on October 24, 1991.

In July 1990, the Government Operations Subcommittee on the Environment, Energy and Natural Resources, which I chair, held a joint hearing on Federal facilities energy conservation with the Energy and Power Subcommittee of the Committee on Energy and Commerce.

During the hearing we explored the reasons why Federal energy use, which had declined by 16 percent in the late 1970's and early 1980's, was actually on the rise in the 5 years immediately prior to our hearing.

This failure to maintain the pace of Federal conservation was especially important because the Federal Government is both the Nation's biggest energy user and its biggest energy waster.

Why is this the case? At the 1990 hearing, witnesses from Federal agencies, the General Accounting Office, and corporate America all agreed on one point—without some form of incentive for installing better technology, energy efficiency improvements would take the Federal Government many years to accomplish.

Under the current system of procuring energy services there is little reason for Federal agencies to cut their energy use since they don't get to keep the financial savings which result. Thus inefficient technologies remain in place while better and ultimately cheaper ones lose out. After our hearing, I joined with Congressman SHARP in requesting an Executive order on energy efficiency which President Bush signed on April 17, 1991.

The Executive order mandates a 20-percent reduction in energy use by Federal facilities by the year 2000. The energy saved by the order is equal to 100,000 barrels of oil per day or \$800 million in energy costs per year.

H.R. 776, the National Energy Strategy bill currently pending before the Energy and Commerce Committee, contains several important amendments on Federal energy conservation including one which I cosponsored with Congressman MARKEY to allow agencies which install energy saving equipment to retain some of the savings which result from their lower energy use. But these valuable amendments cannot achieve their goals if funds are not initially available to prime the pump and get conservation investments moving.

The Federal Energy Efficiency Bank Establishment Act supplies this missing piece and jumpstarts the Federal energy efficiency program. Under the bill, beginning in fiscal year 1993, under a formula determined by the President and related to each agency's energy use, each Federal agency transfers funds to the Treasury which are used for a trust fund known as the Energy Efficiency Bank. The money in the bank is used to set up a revolving

loan fund to pay for energy efficiency projects which meet the standards set out in the Executive order and certain Federal laws.

The bill further sets out a selection schedule and criteria for awarding conservation loans for projects which are technically feasible, and gives consideration to whether a project is cost-effective on a life-cycle basis, has funds leveraged from other sources, and evaluates the degree of energy savings provided. Without a secure source of funds for conservation investments the Federal Government will miss out on a chance to become more efficient. But the effect on the country as whole will be much worse: We will miss out on a relatively easy way to reduce our dependence on imported oil from unstable suppliers and reduce the gases which cause global warming.

TRIBUTE TO NEW HAMPSHIRE TEACHER PAMELA PELLETIER

HON. DICK SWETT

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1992

Mr. SWETT. Mr. Speaker, I rise today to pay tribute to an exemplary high school teacher from my home State of New Hampshire. Pamela Pelletier, a biology teacher from Pelham High School, has been selected as one of the recipients of the "1991 Presidential Awards for Excellence in Science and Mathematics Teaching for Elementary Teachers."

The National Science Foundation recognized Pamela for her outstanding teaching methods and for the example she has set for others in her field. In addition to the award, the National Science Foundation will make a \$7,500 grant to Pelham High School. Pamela will direct the use of this money to enhance science programs and to supplement other resources.

Mr. Speaker, I am proud of Pamela for being one of only 108 science teachers across the United States chosen for this award. Her achievements both as a science instructor and as an adviser for student activities, such as peer outreaches, student government, and the crisis team, stand as evidence of her great accomplishments. By using techniques such as hands-on, cooperative learning and making her classroom student-centered, Pamela demonstrates the devotion to teaching and to students that will propel our Nation's students into the forefront of scientific achievement.

Mr. Speaker, I ask my colleagues to join me in congratulating Pamela on receiving this most deserved award. For our country to again reach the heights to which it soared, we must place great emphasis on the study of science and mathematics, the unique disciplines through which we provide ourselves and our children the opportunity to better our lives. By recognizing those who devote their careers to science education, we accelerate our technological progress that leads us all to better living. I commend Pamela for her great contribution to science education.

TRIBUTE TO ODESSA KOMER

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1992

Mr. BONIOR. Mr. Speaker, I am very pleased to join the UAW in honoring an impressive leader in Detroit's labor movement and a deeply committed friend of the working men and women of our community, Odessa Komer.

In many ways, Ms. Komer has come to symbolize our dedication to fairness and justice in the work place and society. Her long record of ground breaking and distinguished service in labor, civic and community activities has proven her to be a natural and effective leader. Her vision and leadership have always impressed those of us who have had the privilege to know and work with her.

Mr. Speaker, on this special occasion of her testimonial, I ask that my colleagues join me in saluting Odessa Komer's many years of service and dedication to the labor community in Michigan.

CONGRESSMAN KILDEE SALUTES HON. ROGER B. TOWNSEND

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1992

Mr. KILDEE. Mr. Speaker, I rise today to ask you and my colleagues to join me in recognizing the lifetime achievements of a true leader in the war for equality—the late Hon. Roger B. Townsend. For over 50 years Mr. Townsend fought to make America a truly pluralistic society. When he passed away, on January 18, 1987, America lost one of its truly great heroes.

Mr. Townsend was the first African-American elected to the Michigan House of Representatives from my own Genesee County and helped build the United Automobile Workers [UAW] and the Flint branch of the National Organization for the Advancement of Colored People [NAACP]. A tireless defender of human dignity, he served as role model for myself and the many others who followed in his footsteps.

Mr. Townsend was born to William and Ella Townsend, on March 29, 1912, in Rison, AR. He had one sibling, his brother, Berkeley. Though his family had little money Roger managed to continue his education, attending Arkansas State A&M College. The death of his father, coupled with the Great Depression, forced him to leave college to support his family. He found work in Muskegon, MI as a janitor in a foundry, but he was later forced back to Arkansas when the Great Depression eliminated his job. In 1932, he boarded a freight train bound north again, this time to my hometown of Flint, MI, where he eventually was hired by General Motors to work in the Buick Motor Division foundry in 1934.

The mid-1930's saw Mr. Townsend become active in the Flint community. A member of Buick UAW Local 599, he became the first Af-

rican-American recording secretary of the local and district committeeman. In 1939, he helped found the Flint chapter of the NAACP and later was elected branch president. He became a part of national history as he led the local effort to free the Scottsboro Boys, a group of African-American men accused of raping a young white girl in Scottsboro, AL. Mr. Townsend was also the first African-American to participate in the Flint Big Brother organization, served on the board of directors of the Flint Youth Bureau and was a member of the Urban League of Flint. He was active, too, in the Third Ward Community Civic League, seeking to promote political involvement.

In 1952, Mr. Townsend was elected to a seat in the Michigan State House of Representatives. He served six consecutive terms until 1964, when reapportionment eliminated at-large representation. He was forced into a race with a fellow incumbent and long-time friend. With his defeat, Flint's African-American community would not see another legislator elected from its ranks until the election of the Honorable Floyd Clack in 1982.

Mr. Townsend continued to work for the Buick Motor Division until his retirement in 1969. He was a licensed real estate broker and served as a branch manager for the Michigan Secretary of State. As an elected member of the Flint Charter Commission, he was instrumental in revising the city charter, creating today's strong-mayor form of government for Flint.

Mr. Speaker, Roger Townsend set a standard for dignity and for living to which every American should aspire. His contributions to the welfare of the citizens of our community and Nation will never be forgotten. He was a truly good person, a truly great American.

A CONGRESSIONAL SALUTE TO
MAYOR ROSALIE M. SHER

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1992

Mr. ANDERSON. Mr. Speaker, I rise today to pay tribute to a woman who has served her community with great distinction. It is my pleasure to take this opportunity to acknowledge the outstanding contributions and achievements of Mayor Rosalie M. Sher.

In April 1992, Mayor Sher will be retiring from public service, and the city of Hawaiian Gardens will be losing one of its most ardent supporters. Mayor Sher's introduction to politics began with her election to the Concord, California City Council, making her the first woman elected to office in Contra Costa County. After relocating to Hawaiian Gardens, Rosalie was elected to that city's council in 1984. During this four year term, she served as mayor pro tem from April 1985 through April 1986. Following a handily won reelection to a second city council term, Ms. Sher's leadership abilities were duly noted and subsequently she was elected mayor of Hawaiian Gardens in 1990 and 1991.

Rosalie will best be remembered as a mayor who made the people of Hawaiian Gardens her top priority. She actively pursued and

supported programs that improved services for senior citizens and youths in the community. She was particularly instrumental in addressing the need for new housing facilities for seniors. In addition, Mayor Sher made great strides in providing quality library services for the community.

Currently, Mayor Sher is completing her third term as chairperson for the Hawaiian Gardens Redevelopment Agency. In this capacity, she was responsible for the development of the Hawaiian Gardens Town Center.

In what little spare time she has, Rosalie is an avid golfer and reader. She also is a member of the California State Bar although time constraints do not permit her an active practice.

Mr. Speaker, my wife, Lee, joins me in bidding farewell to an outstanding citizen and in extending this much deserved congressional salute. We wish Mayor Rosalie Sher and her family all the best in the years to come.

**ROBERT BELL: AN
ENTREPRENEUR WITH VISION**

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1992

Ms. ROS-LEHTINEN. Mr. Speaker, I would like to pay tribute to one of Florida's most eminent entrepreneurs, Robert Bell, who founded and built a small sun products firm into a multimillion dollar business. He is the president and chief executive of Sun Pharmaceutical Ltd., a company he started by selling suntanning products on Florida beaches. The company manufactures and sells sun protection and skin moisturizing products to almost every corner of the world, including its popular Banana Boat suntanning line.

Mr. Bell, a member of the Hall of Fame of the Institute of American Entrepreneurs, was named 1991 Florida Entrepreneur of the Year, an award he received for his accomplishments and leadership in the business community. He was recently recognized by the Florida Senate for this honor and for his creation so practical to the people of the Sunshine State.

Mr. Bell's ongoing efforts to prove America's stance as the true land of opportunity were again demonstrated during Operations Desert Storm and Desert Shield. He allowed his company to supply our troops in the Persian Gulf with sun protection products at no cost to the armed services. His contribution and support show a kind of generosity few entrepreneurs bear in today's competing world environment.

I commend Mr. Robert Bell for the vision and dedication which have made him one of the most prosperous entrepreneurs in Florida. His outstanding success is an example to all future entrepreneurs.

**ALPHA EPSILON PI HONORS
HARRY B. SMITH**

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1992

Mr. FASCELL. Mr. Speaker, on Saturday, March 14, the Alpha Epsilon Pi Foundation will present its award for Distinguished Community Service to Miami attorney Harry B. Smith.

The AEPi Foundation is a nonprofit organization that provides education scholarships to undergraduate members of AEPi fraternity. It also funds a speakers program, summer internships, and donations to charitable organizations for Jewish programming.

I have known Harry Smith for many years and can think of no one who may have a greater claim on this distinction. An honors graduate of my own alma mater—the University of Miami School of Law—Harry has not only had a distinguished career in law but has played a leading role in the Greater Miami community at large and the Jewish community in particular.

He presently serves on the boards of directors of the Greater Miami Jewish Federation, the Foundation of Jewish Philanthropies, United Way of Dade County, the National Foundation for Advancement of the Arts, the Heller Graduate School of Brandeis University, the American Committee for the Weizmann Institute of Science, and the American Jewish Distribution Committee. He is also a member of the citizens board of the University of Miami.

The AEPi award will be added to a long list of honors which have been bestowed upon this generous and caring man, including the Anti-Defamation League's Distinguished Service Award, the National Conference of Christians and Jews' Silver Medallion, and his election to The Best Lawyer in America and Who's Who in American Law.

I know our colleagues will want to join me in congratulating Harry B. Smith on this wonderful occasion and in wishing him all the best in the future.

**INTRODUCTION OF LEGISLATION
TO ASSIST COMMUNITIES AD-
VERSELY IMPACTED BY MILI-
TARY BASE CLOSURES**

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1992

Ms. SNOWE. Mr. Speaker, I rise today to introduce comprehensive legislation to assist the people of communities that face severe economic hardship as a result of military base closures.

In July 1991, when I spoke in this well on behalf of the resolution that I introduced along with Representative FOGLETTA to reject the 1991 round of military base closures, I stated then that this House's responsibility to those communities would not end with that vote. No, Mr. Speaker, as the prospect of those bases closing draws near, our responsibility to the people of these communities is just beginning.

The people of Aroostook County in my district gave unwavering support to Loring Air Force Base and to the U.S. military for over four decades. Now, the base's closure portends a loss of nearly 20 percent of the county's employment, 14 percent of its income, and 17 percent of its population.

That is no way to reward the people who have given most to our national security. It is no way to reward those in Maine, or in the dozens of other communities nationwide, that will be hard hit by military base closures in the years to come. By introducing this legislation, entitled the Comprehensive Base Closure Reform and Recovery Act, I intend on taking strong action to help these people and their communities.

In recent months, several Members of this body have introduced very good legislation addressing various aspects of the community needs. However, these proposals have not been comprehensive in nature. Rather, they generally tend to address a narrow, or even single, aspect of the impact that a base closure has on a local community.

The legislation I am introducing today deals with all aspects of community recovery: economic, environmental, housing, etc. This bill will permit the Federal Government to fully live up to its responsibility to the communities.

For example, the Comprehensive Base Closure Reform and Recovery Act would address environmental cleanup matters, provide employers with tax incentives to hire former military base employees, and includes economic adjustment and conversion assistance for the local communities.

The major provisions of this bill would:

Require that before a military base is officially closed, or its operations substantially reduced, at least 75 percent of the environmental cleanup required under Federal law be completed. Also, it stipulates that not later than 2 years after a military base is closed, or its operations substantially reduced, all environmental cleanup efforts shall be completed.

Grant employers who hire people whose jobs have been terminated as a result of a base closure or realignment eligibility for the Targeted Jobs Tax Credit [TJTC]. The TJTC allows employers to take a 40 percent credit on the first \$6,000 in wages that the newly hired employee receives.

Require that if the principal home of a military employee living near a closed military base is sold for less than fair market value, and the employee successfully participates in the U.S. Army Corps of Engineers' Housing Assistance Program [HAP], any amount of money received to help compensate for the loss in the home's value will not be treated as income, subject to Federal income taxes.

Direct the Economic Development Administration [EDA] to ensure that Federal funds are reserved for the communities identified by the Bush administration as the most substantially and seriously affected by the closure of military installations. In order to accommodate this mandate, this bill increases the EDA's current funding authorization level from \$50 million in fiscal year 1991 to \$150 million for fiscal year 1993-95.

Direct the Secretary of the Department of Defense [DOD] to create a program to guarantee up to 10,000 dollars worth of loans, per in-

dividual, to civilian employees of the DOD at, or in connection with, a military base scheduled to be closed or realigned. The bill provides the Defense Secretary with the needed authority to develop and administer this program.

Directs the Secretary of DOD to convey to eligible State or local governments all right, title, and interest of the United States in any military installation scheduled to be closed pursuant to the base closure law, CERCLA—Superfund—and the Solid Waste Disposal Act. Under this section of the legislation, property at military installations will be turned over to State/local governments in the following order of priority: A political subdivision designated by State law to receive the conveyance of such property rights; the State; then to one or more political subdivisions which would best serve the interests of the residents of the local region, providing that these subdivisions accept the conveyance. Pending such conveyance, the Secretary of Defense is required to maintain the real property and personal property to prevent its deterioration.

Directs the Federal Government, when entering into contracts with private businesses for the closure of a military base, to give preference to business located in the general vicinity of the closed military base. The bill's language specifically mentions "environmental restoration and mitigation" as an area where local small businesses should get preference in getting federal contracts.

In drafting this bill, I have worked to include provisions addressing a wide range of concerns that have been brought to my attention, as a result of the experiences of northern Aroostook County that is facing the prospect of Loring AFB closing in 1994. I welcome the input of any and all concerned Mainers, and other interested parties, as this measure works its way through the legislative process.

In the meantime, I strongly urge all of my colleagues in the House to demonstrate their support for efforts to help local communities survive the impact of a closed military base by cosponsoring the Comprehensive Base Closure Reform and Recovery Act.

SYRIAN JEWS

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1992

Mr. HOYER. Mr. Speaker, as a signatory to the Universal Declaration of Human Rights, Syria has committed itself to respect the right of all its citizens to emigrate freely. Yet it treats this universal right as a privilege to be meted out to a select few by unaccountable government officials.

Syria's small 3,600-member Jewish community, like other groups, does not have the right to change its government legally and peacefully and cannot publicly criticize the government for human rights violations. Unlike any other minority however, the passports and identity cards carried by Syrian Jews note their religion.

Emigration is largely forbidden, but Jews in particular are singled out for additional prohibi-

tions and restrictions. They are not allowed to leave Syria without paying burdensome fees to the Mukhabarat—secret police—which is intended to ensure their return. As added insurance, whole families may never travel together. The young must leave behind the old; the mother her children and the brother his wife and sister. Those who travel without permission risk harsh criminal sanctions. Today two brothers, Eli and Selim Swed, arrested as far back as 1987 for traveling to Israel, remain imprisoned. For 2 years they were held incommunicado; for 3 years they were denied family visits; and last year the state formally sanctioned this gross human rights violation by sentencing the brothers to 6½ years in prison for illegally traveling to Israel.

The demands for respect of human rights and dignity have unleashed forces for worldwide change. Yet, Syria is out of step with those forces. Syria has reacted to some of the dynamic changes taking place in the world, trying to come to grips with a world no longer shaped by a Communist superpower vying for regional influence. But Syria remains an authoritarian state in a world impatient with and tired of such states and their leaders.

The right to emigrate ultimately may serve as the only guarantee of freedom in those states in which human rights are routinely violated or denied. We must insist on it being accorded all of Syria's citizens. And at a minimum we must continue to demand the immediate release of those individuals imprisoned for exercising a universal right.

As we have learned in country after country in Europe, the United States develops its strongest alliances, engenders its greatest respect, and ensures its lasting security when we stand firmly and unequivocally for the principles upon which our own Nation was founded and which are reflected in international documents such as the Universal Declaration of Human Rights. To the extent that our words here today impact upon the leaders and government officials of Syria, let our voices clearly be on the side of individual freedoms and human dignity. Let us go with a policy and vision that have served us and those who cry out for human rights so well in the past.

TRIBUTE TO REV. W. JEROME FISHER

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1992

Mr. DYMALLY. Mr. Speaker, I rise today to recognize Rev. W. Jerome Fisher, pastor of Little Zion Missionary Baptist Church, at 2408 North Wilmington Avenue in the city of Compton. This year we celebrate his 35-year anniversary as pastor of Little Zion Missionary Baptist Church.

His conviction to serve not only his congregation, but the entire community, has distinguished him as one of the true champions of the greater Los Angeles area. He has founded a scholarship program that assists children who need financial assistance to pursue their education. This program has given many children an opportunity that they would otherwise not have.

His integrity and deep commitment over the decades, to his community and its well-being, has earned him the admiration and respect of all who are privileged to know and work with him. Reverend Fisher's lifelong commitment to the community is a characteristic paralleled by very few and I rise today to commend him for his efforts. As pastor of one of Compton's largest churches, Reverend Fisher has become a friend to a great many people. His support in the community is evident in the size of his congregation and the respect he enjoys.

I know that my colleagues will want to join me in congratulating and paying tribute to Reverend Fisher for his unselfish devotion to serve his community. I hope that Reverend Fisher continues to serve our community for many more years to come. Again, I congratulate Rev. W. Jerome Fisher on this 35-year anniversary.

SCHOOL SPIRIT IS MIAMI HIGH'S WAY

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1992

Ms. ROS-LEHTINEN. Mr. Speaker, I am pleased to recognize the students and teachers at Miami Senior High School, whose innovative idea to sell a 1992 school's calendar has been met with great success. The calendar, which features a different teacher for each month, was developed in an attempt to raise funds for the school's band corps. The school was recently featured in The Miami Herald for their enterprising efforts. The article "The Men of Miami High" by Jon O'Neill follows:

Miami High teacher Jack Hunter doesn't mind being "Mr. July."

No, he didn't pose for a summer issue of Playgirl. Hunter and 11 of his colleagues grace the latest fund-raising effort of the school's Band Corps. It's a 1992 calendar that features a different teacher for each month.

It's being snapped up by students at \$5 a pop.

Hunter, a social studies teacher who also coaches the swim team, was pictured in a pool.

"It was all in good taste," he said. "I'm kind of shy and being in a calendar is not the usual role for a teacher. But I was flattered to be chosen."

The calendar was the brainchild of Lili Pineiro, the school treasurer and sponsor of the Band Corps, which includes flagettes, majorettes and rifle corps. When she attended Miami High, she was on the front of a calendar that featured students.

"We needed to raise money and you have to be creative," Pineiro said. "This is what came to me. I remember when I was in ninth grade I had a big crush on my English teacher and I would have killed for a picture of him. I just thought the kids would like it and that it would be fun to do."

She pitched the idea to her girls, and they loved it.

"I knew it would sell, for sure," said Stingarette captain Mini Esquijarosa, 17, a senior. "There are a lot of cute teachers here and everyone was really excited about it. When it came out, some of the girls were just saying 'wow.' Some of the teachers were, too."

To figure out whose pictures would be included, the school held an election among its female students. Twenty-five teachers were nominated, 12 were voted in.

"It wasn't just the best-looking teachers," said Milay Lao, 17, co-captain of the majorettes. "They were the most popular ones, the favorites. But some of them looked pretty good."

Pineiro worked hard getting the calendar ready. She said most of the selected teachers had a good sense of humor.

"They were all great about it," she said. "I think inside, they all loved it."

Jose "Tiger" Nuñez, athletic director at the school, 2450 SW First St., said he thought the calendar was "a great idea." Nuñez is Mr. March.

"It felt good to be voted in," he said. "I'm hearing a lot of comments from the students about it, though."

Social studies teacher Artie Cabrera is Mr. January. Since he boxes occasionally, he posed in the ring.

"I didn't mind it and I know the kids are enjoying it," he said. "Anything to help the girls raise money."

Pineiro said she would like the calendar to be an annual event. It certainly got the attention of the students.

"Now the boys want a calendar with the female teachers," she said. "But they want them to wear bathing suits."

Mr. Speaker, I commend the students and teachers at Miami Senior High School for their great display of pride and school spirit. Their hard work and support will surely pay off.

ROMANIAN ELECTIONS AND TIMING FOR NORMALIZING RELATIONS

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1992

Mr. SMITH of New Jersey. Mr. Speaker, the Romanian people have once again tasted the privilege and responsibility of a democratic system. In May 1990, the Romanian voters went to the polls and chose their President and Members of Parliament in the first multiparty elections since World War II. Last month, for the first time, the Romanian people had a genuine voice in deciding their local officials—mayors and city council members. The long-awaited local elections were finally set for February 9, and the runoff balloting was held on Sunday, February 23.

The people of Romania—the voters—now look with great anticipation to their upcoming round of elections for Members of the Parliament. Mr. Speaker, I believe the United States Congress and administration must stand by the people of Romania to ensure that this political birthright is granted as scheduled in the late spring. Domestic and international confidence in Romania's march to democracy faded with each postponement of the local elections, and I trust it will not be eroded by any delays in the parliamentary elections.

In fact, I am hopeful that the parliamentary elections will be the best indicator that, indeed, Romania has stepped into the community of nations which honors and upholds democratic principles. This would enable us to move ahead, in total agreement, towards full

normalization of relations. As many of my colleagues know, I, along with Representatives FRANK WOLF and TONY HALL, worked diligently to suspend most-favored-nation trading status during the Ceausescu era when the abuse of human rights was pervasive and systemic and there was no consent of the governed. It would be my honor to stand in this House Chamber, following the parliamentary elections, and urge support among my colleagues for the new trade agreement—including MFN—with Romania that would appropriately reflect the democratic progress in that country.

Mr. Speaker, the Congress should delay until after the parliamentary elections any decision regarding the United States-Romanian trade agreement. As noted in the White House press statement made last August when the President waived the Jackson-Vanik provision of the Trade Act of 1974,

MFN status is a separate issue, which will be decided on the basis of further substantial progress toward a market economy and democratic pluralism, including the holding of free and fair local and parliamentary elections in the near future.

The United States waiver of the Jackson-Vanik provision, Mr. Speaker, made Romania eligible for credit guarantees for commercial imports of United States agricultural products. United States humanitarian assistance continues to be extended to the people of Romania. Through private voluntary organizations, the United States has provided assistance in health care, surgery and medical treatment for institutionalized children, guidance in adoption-related activities, and comprehensive services for those with disabilities. The Peace Corps has tasked more than a dozen of its volunteers to focus on special education and childhood development within several orphanages. Food assistance, as well as technical assistance, equipment, and material support for energy policy reform has been provided.

Mr. Speaker, these various projects, in addition to democratic initiatives, demonstrate to the people of Romania the concern which we have for them and their political reform progress. Certainly both the local and parliamentary elections are seen as steps toward true political reform.

The local elections, Mr. Speaker, had become a proving ground through which the Romanian electorate and observers abroad gauged the ruling National Salvation Front's willingness to grant the people a voice. While these elections were recognized internationally as a major milestone in Romania's progress toward a democracy, I believe they have set the tone—strategically and politically—for the parliamentary elections.

While the voter turnout for the local elections reflects a general loss of confidence in their ability to change the direction or pace of reform, the election results demonstrate the voters' wish for change in political leadership. Between now and the parliamentary elections tentatively planned for May or June, prodemocratic Romanian activists must build on the momentum which coalesced in the final weeks before this election. The voters also have had a glimpse of the power which is entrusted to them within a democratic system, and I am hopeful that this will invoke greater participation in the upcoming parliamentary

elections. The opposition parties, particularly the Democratic Convention, must recognize their potential of becoming a moving force in the Parliament.

The local elections in February have determined the winners of 2,951 mayoral seats and more than 40,000 city council members across the country. The mayors were elected by majority vote and the local councils ran on lists and will gain seats by a system of proportional representation. The Judet—county—councilors will be elected by closed ballot by the local councilors within 30 days after constitution of the local councils.

The number of members on each city council depends on the population of the city or the village. For example, villages with up to 3,000 in population will have 11 councilors, while cities with 200,001 to 400,000 in population 31 councilors, and the Bucharest Council will have 75 councilors.

Mr. Speaker, a member of my staff, Dorothy Taft, was invited by the International Republican Institute to serve as an international election observer in Romania. She was one of a 30-member mission organized by the International Republican Institute [IRI] and the National Democratic Institute [NDI]. As outlined in the Copenhagen Document on Human Rights of the Conference on Security and Cooperation in Europe, observers, both foreign and domestic, were invited and accredited by the Romanian Government to observe the election proceedings.

The preliminary assessment made by the IRI-NDI delegation on February 11 in Bucharest, "This election represents a meaningful step forward for the process of democratization in Romania," is on target.

The campaign period was fraught with many hindrances to the democratic opposition parties and unacceptable conditions were set up by the election law, which was approved by the Romanian Parliament in late November and signed by Iliescu on November 26. The 60-day campaign period began on December 8. There was particular concern that, though promises had been made, campaign finance legislation was rejected in late December and distribution of media time—through the Ad Hoc Commission of Parliamentarians on the Media—for the political parties was not available until more than 1 month into the campaign.

When public campaign financing is not equally available to political parties in democratically nascent countries, the advantage of the incumbent political party in these countries is greater than the incumbents' advantage in developed democratic systems. The ruling parties are able to exploit the basic, underlying support of the infrastructure without competition.

When election monitors interviewed voters in the villages where the democratic opposition and the Hungarian democratic party were active, the issue of media access was not a major determining factor in voter education. In voter after voter, there was a confidence in knowing the candidates either personally or through town meetings. Voters would comment that the party affiliation was not as important as the character of the candidate himself. Obviously, because local candidates were from the local village, electronic media was

not a determining factor. Nonetheless, this issue will be especially important in the upcoming parliamentary elections and in regions where the democratic opposition is not well organized. The Romanian Parliament has a unique responsibility to complete consideration of the law on media and ensure it provides a balanced, democratic access to the electronic and print media for all candidates.

Unfortunately, the February 9 elections were scheduled during exams for the college students, one of the important and active political sectors in Romania. This concern had been raised in preelection assessments by IRI and NDI. On January 30, the Government of Romania issued a statement announcing how this and several other problems were being rectified. The Government agreed to waive the cost of round-trip tickets home by rail or road from February 7 to 10, so that the students could vote.

While students were required to vote in their home districts, military personnel were required to cast ballots where they were stationed. There is concern that military personnel, not being part of the local communities, have no vested interest in local affairs and the platforms of the local candidates. During the last election, this will again be an issue for the parliamentary elections and the election law should resolve this complication. During the last election, political parties and local candidates were unable to campaign on the military bases but shortly before February 9, the Government changed the regulations to permit the parties and candidates to speak and post materials on military bases.

One of the most significant advances made in the election process since the May 1990 election was the provision for domestic election observers. More than 5,000 Romanian citizens served the important role as election observer. Training for such observers continues in Romania and certainly many more will be prepared for the parliamentary elections. Mr. Speaker, I believe it is imperative that the electoral law governing the upcoming elections include this important, confidence-building provision.

I congratulate the ongoing work of organizations, such as the International Republican Institute, in training the political parties in Romania to become effective and instructing candidates how to convey their ideas and stand on the issues facing their country. The work with the newly elected mayors is especially important during this time of transition.

Certainly the local elections became a laboratory for voter education, electoral reform, and democratic coalition building. In preparation for the parliamentary elections, the Government and the electorate must continue that progress. Mr. Speaker, I hope that in 3 months we will all be encouraged by the reforms made and the completion of a fair parliamentary election process. I hope that in 3 months we can all fully support unconditional MFN for Romania and its people. The timing is crucial.

DEFENSE AND THE NEW WORLD DISORDER

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1992

Mr. CONYERS. Mr. Speaker, as we begin the budget cycle with the great changes that have taken place in the world, much of our focus has been, and will continue to be on the money spent on the defense of this Nation. As part of this process the Pentagon has disclosed a number of scenarios which are the justification for the inflated and unnecessary budget the Department of Defense is clinging to in desperation.

Recently, I discovered two excellent articles written by Mr. David Evans of the Chicago Tribune. This Pulitzer Prize winning author tersely points out the folly in this particular area of Defense policy. With great humor Mr. Evans exposes the seven scenarios for possible U.S. military action in the light that the average American might see them. Not only are the seven scenarios out of touch with reality, but the Defense Department budget is based on two of these scenarios occurring at the same time. In his satirical way Mr. Evans is underlining the need for a true reassessment of the threats which effect this Nation. No longer can we afford the deception of building a threat specifically designed to preserve the defense budget.

The second article is a more serious look at just who is financing executive pay and bonuses in the defense industry. The acquisition offices in the Department of Defense must simply get costs in line with reality. It isn't the business of DOD what a major contractor pays their executives, but it is the business of the Department how much of that salary/bonus is paid by the taxpayer. This is just a small slice of how the relationship between the Department of Defense and the large contractors works to the great disadvantage of the American taxpayer—all in the exalted name of national security.

Mr. Speaker, I ask that the two enclosed articles, "Scenarios of New World Disorder" and "Defense Firms' Top Guns Have Taxpayers To Thank for Top Pay" by Mr. David Evans be placed in the RECORD and I strongly urge my colleagues to read them.

[From the Chicago Tribune, Jan. 5, 1992]

DEFENSE FIRMS' TOP GUNS HAVE TAXPAYERS TO THANK FOR TOP PAY

(By David Evans)

WASHINGTON.—The shameless excesses of corporate compensation carry over into America's military-industrial complex, where the defense industry's top guns are paid much, much more than the chiefs of our military services.

On the civilian side, we have the Rolex watch and Gucci shoe set. The chief executives of the five largest defense companies receive compensation packages ranging from \$1.5 million to more than \$9.3 million. That's about \$4,000 to \$25,000 a day in salary, bonuses and stock options.

On the military side, we have the Timex watch and Corfam shoe set. Gen. Colin Powell, chairman of the Joint Chiefs of Staff, and the chiefs of the Army, Navy, Air Force

and Marine Corps are five men at the very top of their profession. They each make about \$110,000 per annum, or roughly \$300 a day.

Their pay accords with the view of 18th Century author Edward Gibbon, who wrote in "The Decline and Fall of the Roman Empire" that the "modesty in peace and service in war" of the military order "is best secured by an honorable poverty."

Our generals aren't exactly like Julius Caesar eating turnips with the troops on campaign, but they don't get bonuses for winning wars nor, for that matter, do they get free lunches. When Powell eats in the chairman's dining room, for example, he pays for the crabcakes and the low-calorie chicken fajitas on the menu.

Indeed, compared to the salary differentials in industry, the military pay system is a model of socialist egalitarianism. Powell makes only 11 times more money than a private first class, which coincidentally is pretty close to the Japanese differential between executive pay and worker compensation.

In contrast, a hundred-fold difference or more separates the pay of American chief executive officers from the workers. The defense industry is no exception, as exemplified by the case of General Dynamics, where a mid-grade F-16 production worker at its Ft. Worth plant earns \$36,600 a year in wages and fringe benefits, tops, while in 1991 its chief executive officer, William Anders, received more than 250 times that amount in pay, bonuses and stock options.

The relative egalitarianism of the military pay system applies to raises too. When Congress, the military's board of directors, approves a pay raise for Powell, the privates and the rest of those at the bottom get the same rate of increase.

This is not the case in corporate America, where top executives frequently receive double-digit pay raises while the vast bulk of their employees are admonished to rest content with single-digit increases, if any.

No self-respecting Marine Corps colonel would accept this situation. At The Basic School at Quantico, Va., every new Marine officer is taught that the troops eat first, then the officers. If the chow runs out, the leaders go hungry.

There is no comparable accountability in the defense industry. Consider the case of General Dynamics and McDonnell Douglas, which teamed up to design and build the A-12 attack jet for the Navy. The program went belly-up in an ugly cloud of cost overruns and delays, and the two companies said they couldn't afford to pay back the \$1.35 billion they'd already received from the Navy for work they never performed. However, these two companies were able to afford their chief executives' multimillion-dollar pay packages.

Taxpayers are underwriting the situation. According to a Pentagon expert on military contracts, corporate salaries are part of a company's cost base, which are figured on a pro rata basis into its negotiations for weapons prices and profits. Executive salaries are just a so-called pass-through expense. Therefore, higher levels of executive pay, fringe benefits and perks translate ultimately into higher unit costs for weapons and parts.

Don't waste time dropping a B-52's load of shame on overpaid defense executives. It slides off like water on a waxed car. Instead, establish a ceiling on the amount the government will reimburse a defense contractor for overhead expenses, including top-level compensation. The rule needn't limit how much chief executives can be paid by soft-

hearted boards of directors, just the amount that flinty-eyed Uncle Sam will contribute.

Elsewhere in his book, the venerable Gibbon told the tale of one George of Cappadocia, a 4th Century defense contractor who provided rotten meat to the Roman army at ripoff prices. "His employment was mean; he rendered it infamous," Gibbon wrote.

Although this George was subsequently beattified for his dragon-slaying activities, he could just as easily have been designated the patron saint to defense contractors. They've been taking first pass at the public trough ever since.

SCENARIOS OF NEW WORLD DISORDER

(By David Evans)

WASHINGTON.—The New World Disorder should be the title of a secret Pentagon document that contains seven scenarios for possible U.S. military action in the next decade. There are enough wars on this list to call for a bigger, not a smaller military.

Retitled, with interpretive comments, we have:

The Russians Are Coming, Again. An expansionist and hungry clique in Moscow launches a tank blitzkrieg to seize the sausage industry in Poland. U.S. military airlifters substitute battalions for bread to counterattack.

Poltergeist IL Saddam Hussein gets recycled into a replay of his 1991 invasion of Kuwait. But in 1995 the Iraqis don't stop at the Saudi border) they get it right this time, punching through and overrunning the ports and oilfields in the kingdom's vital eastern province.

Kim Il Sung's Hostile Takeover. The aging North Korean leader launches 300,000 troops in a surprise attack south to reunify Korea by force, thereby achieving world dominance of the sneaker industry.

The Baghdad-Pyongyang Axis. Using a secret hotline to coordinate their plans, fraternal dictators Saddam Hussein and Kim Il Sung attack virtually simultaneously.

From Operation Just Cause to Just Because. Dope-dealing officers in the U.S.-installed Panama Defense Force threaten to close the Panama Canal, promoting eight days of "mid-intensity" gunplay by Army Rangers and U.S. Marines to install a more grateful group of dope-dealing Panamanian colonels.

Manila Meltdown. Imagine Imelda Marcos, who's running for president of the Philippines a few years hence. She can't hold it together. There's a revolt, and U.S. forces are dispatched to rescue Imelda and 5,000 Americans, each of whom is allowed to board the packed evacuation planes carrying only a pair of Imelda's shoes.

The Empire Strikes Back. Reformist movements in Russia collapse, a right-wing faction comes to power bent on militarizing the economy. The Quayle administration ignores a \$600 billion deficit and does likewise, boosting U.S. weapons production to equip new divisions, fighter squadrons and naval battle groups. Defense contractors rejoice.

With the exception of the resurgent Evil Empire, these sanctions occur with little warning, and the fighting, although intense, is of fairly short duration. American military forces must be poised to move quickly, smash massively and come home.

This capability is hugely expensive. It is much different than a strategy of holding the initial enemy onslaught, building up our forces and counterattacking.

Consider the short-warning, short-duration aspects—a standing-start war means that

military forces, as well as the transport units to move them, must be kept on costly active-duty status. It can take anywhere from 30 to 90 days or more to call up, train and deploy cheaper reserve forces. A short notice, short war is over before the reserves show up.

The two-front, short-notice war scenario maximizes everything: a large number of active-duty combat forces, with warehouses full of munitions and parts to sustain them, and an enormous increase in existing airlift and sealift assets to move them speedily in two opposite directions.

Recall the effort to defeat Iraq: 100 percent of the transport was used to move roughly 30 percent of the fighting forces. They were supported in-theater by virtually 90 percent of the logistics units, which in turn were tapping in to about 90 percent of the so-called WRM, the "war reserve material" stocks.

That was a single-front war, with five months to get ready. The simultaneous two-front war scenario implies a defense budget of \$500 billion, not the \$280 billion budget today that Congress is trying to cut.

The issue isn't self-serving scenarios, but secrecy. These are not war plans, but generalized visions of conflict that shape the size and composition of military forces and budget. Instead of an open discussion about what America must be prepared to do, and the risks involved, the shaping process is all happening in secret. Maybe in the two-front scenario the active forces could handle one threat and reserve forces the other.

Instead of scenarios, perhaps the focus should be on fixing existing problems; for example, replacing the gas turbine engine in the M-1 tank with a diesel would reduce its tremendous dependence on convoys of fuel trucks.

Opening the books, though, might be too revealing. Imagine a secret plan in 1945 to refight Germany by 1950. It would be equivalent to the anticipated replay of the war against Iraq, but it does suggest what many suspect—the last war with Iraq could have been titled George Bush's Voodoo Victory.

IN RECOGNITION OF ALFONSO ACOMPORA ON HIS 20TH ANNIVERSARY AT WALDEN HOUSE

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1992

Ms. PELOSI. Mr. Speaker, I rise today to recognize Alfonso Acompora for 20 years of dedicated service to Walden House and the city of San Francisco.

As chief executive officer of Walden House, one of the largest substance abuse treatment centers in California, Alfonso has worked tirelessly with the HIV infected, the dual diagnostic, pregnant addicts, and all the disenfranchised that substance abuse has affected. His latest battle is being waged against the crack cocaine epidemic in San Francisco.

Alfonso joined the staff of Walden House in 1971, and quickly worked his way up to CEO. His history as a troubled youth intensified his desire to aid those with substance abuse problems. He has been an integral force in building Walden House from what was once a 30-bed facility to one that services over 400 people a day in 12 facilities throughout San

Francisco. Walden House has become a model for education, prevention, and treatment services, remaining on the cutting edge of social problems affecting the city of San Francisco.

In the past years, Alfonso has served on drug task forces for San Francisco Mayor Art Agnos and California Governor Pete Wilson. He has also served as a drug advisor to the White House and consultant to many programs across the United States.

Mr. Speaker, I join with the people not only of Walden House, but of the entire San Francisco community, in praising Alfonso Acompora for 20 years of dedicated and selfless service to those in need, and look forward to many more years of Alfonso at the helm of Walden House.

TRIBUTE TO PENNDOT'S SNYDER COUNTY MAINTENANCE OFFICE

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1992

Mr. GEKAS. Mr. Speaker, I rise today to pay tribute to the employees of the Pennsylvania Department of Transportation [PennDOT], Snyder County Maintenance Office, for the outstanding safety record that they have maintained over the years.

The employees of this office have accumulated 4,536 days without a lost-time work injury. This means that in over 12 years of working in a hazardous environment, in all types of inclement weather, these workers have not lost a day of work because of injury. I know that this feat is very difficult to achieve and is a testament to the hard work, dedication to the job, and outstanding skill of these employees. There should be no doubt that the Pennsylvania Department of Transportation and all the citizens of the Commonwealth of Pennsylvania are proud to have these workers on the job for them.

Mr. Speaker, I ask all of my colleagues to join me in paying tribute to the outstanding employees of PennDOT's Snyder County Maintenance Office, who have given new meaning to the words, "Safety first."

TRIBUTE TO PASTOR ERNESTINE M. SHIVER

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1992

Mr. TOWNS. Mr. Speaker, I want to recognize the achievements and contributions of Pastor Ernestine Shiver, of St. Paul's United Church of God, in Brooklyn, NY. Pastor Shiver has dedicated her life to her family, church, and community in her position of pastor for the past 15 years.

With Pastor Shiver at the helm, her church congregation has grown not only in size, but in faith. She has addressed vital community needs such as: Food and clothing for the homeless; education and preventive services;

surplus food programs; and counseling services. Pastor Shiver knows that true service to the Lord consists of faith in action. She embodies that philosophy in all of her labors of love. It is my pleasure and blessing to know this humble and dedicated servant of the Lord.

ELEMENTARY SCHOOL NAMED AFTER WING AND LILLY FONG

HON. JAMES H. BILBRAY

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1992

Mr. BILBRAY. Mr. Speaker, I rise today and ask my colleagues to join me in honoring two outstanding individuals from Las Vegas, NV, Wing and Lilly Fong. In February 1992 these two individuals were the first Chinese-Americans to have the honor of having an elementary school named after them.

At the age of 13, Wing immigrated to the United States from Canton, China. He attended Woodbury College in California, where he earned a business administration degree and met his future wife, Lilly. They married in 1950 and settled in Las Vegas. Wing joined the firm of Pioneering Distribution. Mr. Fong opened his own grocery store, and, in 1955, he opened the town's first specialty restaurant and shopping center. Currently, he is president of Wing Fong's Enterprises and is a director of Nevada State Bank.

His civic involvements have led him to become director of the Greater Las Vegas Chamber of Commerce, and chairman of the National Conference of Christians and Jews. He has also served as chairman of St. Jude's Children's Home in Boulder City.

For many years, Lilly Fong has been involved in community service. She has served as a member of the U.S. Small Business Advisory Council and the Governor's Commission on the Status of Women. Also, Mrs. Fong's fund-raising efforts have been greatly appreciated by numerous art centers.

Judging from the involvement of Wing and Lilly Fong, it seems very appropriate to have an elementary school named in their honor. I am indeed honored to congratulate them today and ask my fellow Members to do the same.

CONGRESSMAN IKE SKELTON DELIVERS PRINCIPAL ADDRESS AT COMMISSIONING OF U.S.S. JEFFERSON CITY; CALLS FOR PRUDENCE IN PREPAREDNESS

HON. BILL EMERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1992

Mr. EMERSON. Mr. Speaker, our distinguished colleague from Missouri [Mr. SKELTON] was the featured speaker at the commissioning ceremony for the U.S.S. *Jefferson City* SSN-759, the newest submarine of the fleet. This vessel is, of course, named for the capital city of Missouri, which is in Congressman SKELTON's congressional district. Mrs. Skelton christened the ship in March 1990.

I regrettably had other commitments and could not attend the commissioning ceremony in Norfolk, VA, February 29, 1992. Congressman SKELTON favored me with a copy of his remarks, which should be of interest to all Missourians, interwoven as it is with lore about our capital city and the proud mantle the ship bears.

Most importantly, Congressman SKELTON sounds an articulate, intelligent, coherent, and persuasive call for prudence and vigilance on the part of the United States, as we chart the waters of a radically altered world in 1992 and beyond. With his usual common sense, Mr. SKELTON advances a compelling rationale for maintaining an appropriate level in defense people-power and technology as we look ahead. His message speaks for itself. I commend it to all colleagues and Americans.

ADDRESS BY CONGRESSMAN IKE SKELTON

INTRODUCTION

This is an historic day, a proud day for Missouri. For today, we celebrate the commissioning of the USS *Jefferson City*, named in honor of Missouri's capital city. And, in a larger sense, we are celebrating the continued freedoms we all enjoy as Americans.

FREEDOM

We are a unique people. We have experienced 203 years of unprecedented freedom under the Constitution—freedom made secure by those who have worn the uniforms of our Nation's Armed Forces. Without them, freedom and democracy would long have since vanished. While the near-term is marked by turbulence and transition in the world, we need to remind ourselves of the great achievement of recent American statecraft. We have led the winning side in the two epic struggles of this century—the fight against fascism and the less costly but more complex struggle against Soviet communism. American resolve and leadership has helped shape a better world for untold millions.

It is fitting that we pay tribute to our uniformed servicemen and women for two recent victories—we won the cold war against the Soviet Union and we won an impressive victory in the Persian Gulf.

The cold war—described by President John F. Kennedy as the "long twilight struggle"—has come to an end. It is still hard to believe that this great and bitter contest against Soviet expansion ended in the unexpected fashion that it did. America's sons and daughters in uniform contributed significantly to the victory against the Communist threat. For that, our Nation is grateful.

Last year's Persian Gulf war was a stunning victory. The flower of America's youth sailed the ships, attacked across the desert, and flew in combat to defeat a brutal foe. They have written a magnificent chapter in American military history.

As part of that military operation thirteen submarines conducted surveillance and reconnaissance operations in support of Desert Shield and Desert Storm. Two sister ships of the one we are about to commission—the USS *Louisville* and the USS *Pittsburgh*—launched Tomahawk cruise missile attacks against critical targets in Iraq. In fact, the *Louisville* made history by delivering the first submarine-launched cruise missile ever used in combat.

A NOTE OF WARNING

But in the midst of this tribute to our success, let me sound a note of warning to my fellow countrymen. Major George C. Mar-

shall, the future World War II Army Chief of Staff, noted in 1923 "The regular Cycle in the Doing and Undoing of Measures for the National Defense." He observed that, "We start in the making of adequate provisions and then turn abruptly in the opposite direction and abolish what has just been done." Today, we are in the midst of making one of those changes in direction. This is now the eighth year of real defense budget cuts, and we know that more dramatic reductions are in store.

Secretary Cheney and General Powell crafted a plan a year and a half ago that will result in a twenty-five percent reduction in the size of our forces and the size of the defense budget. A further cut of \$50 billion over the next five years has been recommended by the President as a result of events last August in Moscow when the old Communist order finally collapsed. I believe the Secretary and his military advisors have put together a pretty good plan, not perfect, but pretty good. But to readjust the plan every year in a dramatic fashion as some would have them do, is simply more than we should do in light of the uncertainty of the world around us.

As many of you know so well, there are more than a few self-styled "defense experts," who would increase the pace and extent of the planned cuts. My warning is against our Nation engaging in a military disarmament binge. In 1997 our Nation's military forces would be at the breaking point in responding to a Desert-Storm contingency and a conflict in Korea at the same time. General Powell acknowledged this troubling possibility in testimony before the Congress two weeks ago.

Those who would slash our military even further than the planned 25 percent reduction, while sincere and well-meaning, lack an understanding of history's lessons. Time and time again, in this century we have followed the dangerous and costly path of demobilization, disarmament, and unpreparedness, only to regret that course of action a few short years later.

After the First World War we withdrew from world affairs and allowed our military to wither away. As a matter of fact, at the time of the fourth naval disarmament conference of 1935, the seeds of the Second World War had already been sown. But we ignored the gathering storm and were caught unprepared when it came. After our tremendous victory over Germany and Japan in 1945 we once again cut our military. And once again, we were caught unprepared when war broke out in Korea less than five years later.

Here is a brief catalogue of the cuts we are making today and are planned for the future. A year ago the Army possessed 18 active divisions. Two have been demobilized and the plan is to demobilize four others by 1997. The Navy reached a high water mark of 570 ships in its effort to build to 600 ships. This past December there were 499 ships in the fleet and current plans will have the Navy at the 450 ship level by 1997. The Air Force is also reducing. It had 41 fighter wing equivalents

in 1988. By this year it will have reduced its force structure to 28. By 1995 it will have 26, 15 active and 11 in the Guard and Reserve.

If we go much more beyond these cuts in force structure, we will end up in the same situation in which we have found ourselves after almost every other war we have fought in our history—with a military force ill-prepared to fight. We should remember the high cost of unpreparedness: Bataan in 1941, The Kasserine Pass in 1942, Pusan in 1950, and Desert One in 1980. This cost was paid by the blood of young Americans in uniform. Never again should we allow this to happen. Let us learn from history rather than repeat it.

We still live in a dangerous and uncertain world. The kaleidoscope of the future is unpredictable. Few foresaw the bombing of Pearl Harbor, the North Korean invasion into the south, or Saddam Hussein's invasion of Kuwait. The American people understand George Washington's wise counsel that "To be prepared for war is one of the most effectual means of preserving peace." I am convinced they will support measures needed to maintain an adequate and credible national defense.

JEFFERSON CITY

This boat is now ready to assume its role in keeping the peace. It is named for a city that has played an important and distinguished role in American history; a city named, appropriately, for the third President of the United States. Jefferson City is located in central Missouri, on the south bank of the Missouri River, along the trail of Lewis and Clark. It was carved out of timberland and planned by Daniel M. Boone, son of the famous pioneer, and Major Elias Bancroft. Its early settlers came from Kentucky, Virginia, and Tennessee, as well as from Germany and other nations of the Old World. Incorporated in 1826, it played a key role in the westward expansion of our Nation, and was a vital river port during the War Between the States. Today, the Missouri Capitol building dominates Jefferson City's skyline. This heartland city of America, which currently has a population of over 35,000, provides a proud legacy for this new Navy submarine.

A CELEBRATION

We gather here today to participate in an important occasion, the commissioning of an American attack submarine. Those of you who have been specially chosen to take this sleek, stealthy vessel to sea, understand the serious, even solemn task, that has been entrusted to you by your superiors. They, in turn, have been empowered by the Congress and the people of the United States to take special care of an institution important to our Nation's security, the United States Navy.

It has been called upon on many occasions in our Nation's short history, especially in this century, to give service in the cause of freedom. The Navy will continue to be a calling for you and your comrades who have the privilege of wearing the uniform of one of our country's Armed Forces. You more than

most understand that ours is a seafaring nation. We depend upon seaborne commerce. The only way to secure our interests throughout the world is to maintain a strong Navy.

Yet this is also a festive occasion. Parents, wives, sons, daughters, friends, and colleagues have come today to wish you well as you take charge of this fine boat. We thank them for coming, for sharing this moment of pride and joy.

There are others to thank. First, those sons and daughters of America—both close by in Newport News and in countless factories across this country—who helped build this boat. She is a work of art, an engineering marvel, that we too often take for granted. Second, let us thank the American public, whose support for the construction of this vessel and its manning is crucial. Third, those of us who do not wear the Navy blue sincerely thank you who are entrusted with the care of this ship. We thank you for the sacrifices that you and your families have borne over the months and years past and will continue to bear in the days ahead.

Let me also add that this Nation of ours is very fortunate to have men such as you willing to protect our interests far from home. The sacrifices of sailors willing to go to sea and assume such heavy responsibilities are not always appreciated in our society. Even less appreciated are the sacrifices of Navy wives. To the wives and 108 children of these men who are about to go to sea let me express a heartfelt thanks. Your support is crucial to the well-being of these men and to our country as a whole.

A special word of appreciation goes to the former Secretary of the Navy, James Webb, for designating this boat to be named the USS *Jefferson City*. On a more personal note, sincere appreciation goes to former Secretary of the Navy Will Ball for asking my wife Susie to be the ship's sponsor. Not long after the christening ceremony took place in March of 1990, my wife told me that, with the exception of her wedding day and the day each of our three sons was born, the day of the christening was the most memorable day of her life.

A FINAL WORD

And, now, a final word—to the ship's captain, Commander Russell Harris, and his men. In a few moments you, the captain and crew of this newest submarine of the fleet, will man your stations. You will assume your duty as former generations of sailors have over time stretching back to our Nation's beginnings. You will carry our hopes and prayers into the silent depths of the ocean.

So, I say to you, Captain Harris and crew, in the words of American poet Henry Wadsworth Longfellow:

Sail on, nor fear to breast the sea,
Our hearts, our hopes, are all with thee,
Our hearts, our hopes, our prayers, our tears,
Our faith triumphant o'er our fears,
Are all with thee,—are all with thee.

Thank you and God bless.