

## HOUSE OF REPRESENTATIVES—Thursday, May 25, 1989

The House met at 10 a.m. and was called to order by the Speaker pro tempore [Mr. COELHO].

## DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,  
May 25, 1989.

I hereby designate the Honorable TONY COELHO to act as Speaker pro tempore today.

JIM WRIGHT,  
Speaker of the House of Representatives.

## PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Gracious God, as we respond to Your blessings, may we ever seek to be faithful to Your word. Help us to be earnest in our desire to heed Your message of love by lifting the lives of the needy among us, by sharing our gifts with those who have less, and by understanding that in all things it is more blessed to give than to receive. In Your name, we pray. Amen.

## THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

## PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Maine [Mr. BRENNAN] please come forward and lead us in the Pledge of Allegiance?

Mr. BRENNAN led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

## INTRODUCTION OF LEGISLATION TO BAN HONORARIA

(Mr. BRENNAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRENNAN. Mr. Speaker, today I urge my colleagues to join with me to put an end to a practice that leaves our fellow citizens disillusioned with

this institution—that is the acceptance of honoraria, or gifts of up to \$2,000, more often than not, from special interest groups.

In January of this year I introduced a bill to ban honoraria outright. With this legislation I do not question the integrity of my colleagues who accept honoraria, but rather seek to restore public esteem for the Congress.

These fees and gifts to Members of Congress have become an accepted and widely practiced means to curry favor and attempt to gain influence. By outlawing this practice we can move away from the shadow which is cast upon the Congress.

We are all disturbed by the growing public disenchantment with this institution. Fair or unfair, the perception is that Congress is not working for the people. By supporting H.R. 675 we can begin to restore the trust of our fellow citizens that is so essential for our democracy. I urge my colleagues to join me in banning honoraria and let's have Congress have only one paymaster—the people of this Nation.

## PLACING LIMITS ON THE RESOLUTION TRUST CORPORATION

(Mr. PRICE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PRICE. Mr. Speaker, during the Banking Committee's consideration of H.R. 1278, President Bush's proposal to restore the solvency of the savings and loan insurance fund, I offered an amendment with our colleague from Nebraska, PETER HOAGLAND, to strictly limit the amount of notes and other obligations that the FDIC could issue in resolving failing thrifts and banks.

Under our amendment, no notes could be issued which would put the agency into a net deficit position. This would allow the FDIC to continue to use notes or other forms of obligations if they were needed in the liquidation of insolvent depository institutions. However, it would stop the FDIC from implicitly obligating taxpayer funds and would not allow a reoccurrence of the December firesale by the Bank Board that the Congress and the general public has been so concerned about. The GAO, which recommended a limit last year for FSLIC obligations, supported our idea.

It is now apparent that we need to place a similar limit on the Resolution Trust Corporation [RTC], which will be heavily involved in the disposition of failing thrifts once H.R. 1278 be-

comes law. Currently, under both the current House and Senate bill, the RTC has the authority to issue notes with no apparent limit. This provision must be changed to place such a limit on the RTC, and I will be working to ensure that this is done.

No Government entity should have the ability to obligate Treasury funds without explicit authority from Congress and the President. It was an outrage when the Bank Board did it, and it would be even more outrageous if we let the RTC do it. I hope my colleagues will join me in protecting the taxpayers of this country.

## URGING THE UNITED STATES TO STOP NUCLEAR BOMB TESTING IN THE SOUTH PACIFIC

(Mr. FALEOMAVAEGA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. FALEOMAVAEGA. Mr. Speaker, a major development of importance has recently occurred with reference to the Pacific region that I wish to bring to the attention of my colleagues.

As many of you are no doubt aware, the nation of France has for many years been criticized heavily for its extensive nuclear testings being conducted in the South Pacific. The damage to the marine environment is quite obvious.

Just recently, French President Francois Mitterrand has declared that France will stop its nuclear bomb testing program in the South Pacific, but only if the United States, the Soviet Union, and Great Britain will also stop such testing. The same offer was made recently by President Gorbachev of the Soviet Union.

This is a great opportunity to take France up on its offer. I strongly urge that the United States follow France's lead in stopping nuclear testings throughout the world.

On this subject I have two articles that I will submit for the RECORD, written by Mr. Andrew Revkin.

[From Discover, May 1989]

## PLUTONIUM IN PARADISE

(By Andrew C. Revkin)

Now that France has riddled one South Pacific island with underground nuclear explosions, it is moving on to a new one.

"La bombe atomique," says Uraora Te-tuanui, smiling as he points to the gaily framed photographs of mushroom clouds that adorn the flimsy walls of his house. Te-

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

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

tuanui lives with his son and daughter-in-law along a stretch of black-sand beach on Tahiti, the main island of French Polynesia. The photos are souvenirs from his days at Mururoa, a tiny ringlet of coral 744 miles to the southeast, where France tests its nuclear weapons.

Tetuanui worked on Mururoa from 1965 to 1967, and he relishes his memories of the enormous open-air blasts. "I saw De Gaulle," he recalls with pride; the French president flew to Mururoa in September 1966 to witness one of the first in what would be a series of 44 atmospheric nuclear tests. Now Tetuanui spends much of his time sitting on his beach, carving dugout canoes with a chain saw. Today it is his son, Henri, who works on Mururoa.

Nearly every Tahitian family has at least one member who has spent time at the test site, doing construction work, roadwork, or drilling. Many, like Tetuanui and his son, are happy with *la bombe*: it has provided them with such luxuries as color TVs, outboard motors, and washing machines. But many others blame the nuclear testing for health problems ranging from gout to leukemia. Some say they were exposed to radioactive waste while working; others fear that radioactive material washed out of the sky during rainstorms. And now that the tests no longer take place in the air but in holes drilled thousands of feet beneath the lagoon, they worry that radiation is leaking from the island itself.

Increasingly, researchers are finding that the 108 underground tests have indeed been environmentally disastrous, turning Mururoa into a Swiss cheese of fractured rock. "The entire atoll is damaged, perforated, and broken," says Bengt Danielsson, a Swedish anthropologist who settled on Tahiti in 1947 and who is one of the most severe critics of the French nuclear weapons program. The simple truth, he says, is that "Mururoa is all used up."

As if to confirm the allegations, France set off its last nuclear test of 1988, a 100-kiloton blast on November 30, not at Mururoa but at Fangataufa, 25 miles away; Fangataufa hadn't been used for tests since 1975. The blast site was detected by seismographs maintained by New Zealand on Raratonga, an island some 1,400 miles away. Danielsson also cites reports from Tahitians working for the French project that the pass through the reef at Fangataufa was recently widened and that floating drilling rigs have been towed into the lagoon.

The French government has refused comment, but the change in sites does jibe with what were apparently unauthorized remarks made in March of last year by Vice Admiral Pierre Thireaut, commander of military forces in French Polynesia. Thireaut told the *International Herald Tribune* that large-scale tests were being shifted to Fangataufa to prevent cracks from growing in the submarine structure of Mururoa. "Our first target is safety," he said; he acknowledged that previous explosions set off beneath the barrier reef that surrounds Mururoa's lagoon had caused portions of the reef to collapse.

Although the Territorial Assembly—the semiautonomous government of French Polynesia—has called for France to submit to an independent review of conditions at Mururoa, French officials have regularly rejected any such oversight. The standard line, as given by a French Embassy official, is, "The underground experiments are not dangerous for the public of Polynesia." Indeed, at a 1986 press conference French

President François Mitterrand went so far as to say that "the rate of radioactivity on Mururoa is lower than in Paris."

Opinions about Mururoa vary so widely because there are very few facts to go by. Mururoa is a wispy coral garland, roughly 18 miles long by 6 miles wide, that sits atop an extinct volcano rising more than 13,300 feet from the seafloor. The land barely breaks the surface. It lies in the Tuamotu Archipelago, a chain of 76 sparsely inhabited, low-lying atolls running north and east of Tahiti and its mountainous neighbors. In the local dialect *mururoa* means "great secret," and the name has become sadly appropriate. France has maintained a veil of secrecy around activities there ever since the atoll was turned into the blandly named Center for Pacific Experimentation in 1962.

France was the last Western country to accede to world opinion and move its testing underground—fully 11 years after the United States, the Soviet Union, and Great Britain signed the Limited Test Ban Treaty in 1963—and it has consistently fought efforts of others to learn the details of its testing project. In 1985 the government went so far as to have French agents in New Zealand bomb the *Rainbow Warrior*—a ship owned by the environmental group Greenpeace—that was preparing to embark for Mururoa. A photographer was killed in that bombing, and the incident created an international uproar. *Rainbow Warrior II* is slated to be launched soon, with a visit to Mururoa high on its list of missions.

Only three scientific teams have been allowed to study Mururoa. The first, in 1982, was led by Haroun Tazieff, a French volcanologist; he was allowed to stay for only three days. Tazieff noted that portions of the atoll appeared to be sinking but could find no evidence of a radiation hazard. A year later a three-nation team—from Australia, New Zealand, and Papua New Guinea—was allowed to spend a grand total of five days on Mururoa; it came away with similar conclusions.

The most recent visit was by renowned underwater explorer Jacques-Yves Cousteau, who came to Mururoa for six days in June 1987. Like his predecessors, Cousteau had limited time and resources with which to conduct research and was restricted to certain regions of the atoll. He was not permitted to visit parts of Mururoa that are alleged to be severely contaminated with radioactive material.

One such area first came to light in November 1981, when the union representing French civilian technicians on Mururoa issued a report claiming that workers faced serious health risks. In 1966 and 1971, the union said, two "safety tests" of bombs, in which the devices were intentionally damaged to see if they could explode accidentally, resulted in the scattering of some 20 to 40 pounds of plutonium across the uninhabited northern rim of the atoll. The area was covered with a layer of asphalt to stabilize the contaminated sand and coral, but that was ripped away by a series of cyclones in 1981.

The union also reported that dangerous radioactive material had been scattered across the atoll in 1979 when a concrete bunker used for a test accidentally exploded. And in 1981, it maintained, a heap of radioactive waste—contaminated scrap metal, metal drums, and the like—had been washed out to sea in a storm.

On their second day at Mururoa, Cousteau and his crew witnessed an underground explosion. Until 1981 all nuclear tests took

place in holes drilled through the barrier reef fringing the lagoon and into the volcanic basalt foundation of the atoll. Since then the bombs have been exploded in holes sunk by drilling rigs moored in the lagoon. There were two reasons for the change: first, there was little room left on the uninhabited portion of the atoll; second, chunks of the reef sometimes broke loose after tests.

As Cousteau's team filmed from an observation tower across the lagoon, every one of the 3,000 French military personnel and Tahitian laborers who live on the atoll climbed atop a series of 20-foot-high platforms to sit out the test well above sea level, just in case a wave was generated by the explosion or some subsequent geologic disturbance. Loudspeakers blared a countdown. Suddenly, three miles away, an expanse of blue water was transformed into what looked like boiling milk. The surface of the lagoon then levitated in a plume of spray nearly 200 feet high, and a spreading shock wave shivered the sea surface and shook the tower.

Within a day Cousteau's divers fanned out over the test site to collect water and sediment samples and take readings of radiation levels. All they found was an unusually high level in plankton of iodine 131, a substance that in humans can cause cancer of the thyroid. The official explanation—that the radiation accidentally leaked during a check of a borehole—was hardly encouraging. Still, there was no other elevation in radioactivity over the test site.

When the divers explored the coral wall of the outer reef, however, the bad news became evident. They saw enormous, recently formed fissures running down as far as they could dive. Great chunks of fossilized coral had broken free from the submarine cliff and lodged in the cracks. Albert Falco, the pilot of Cousteau's mini-sub, said that one fissure plunged to a depth of at least 591 feet. These observations are consistent with French government reports of large horizontal fissures that run for hundreds of yards in some places around the perimeter of the atoll.

A French official, who requests anonymity, says that fractures in the coral reef don't necessarily mean there is a problem. "The coral is very external," he says. "[Cracks] may be created just by the waves. The tests are deep down in the basalt." But, he adds, fissures in the underlying basalt would be cause for concern. "If there were damage to the basalt, there would obviously be the potential for radioactivity to affect the atoll itself."

Despite the limits imposed on his team, the conclusions Cousteau issued last fall were remarkably definitive—and positive. "We found no trace of any of the dangerous radioactive elements produced by nuclear explosions," he said. "We can ensure that, at least for the near future, the tests pose no danger to Polynesian populations. However, when looking at the ruins of coral accumulated here, no one can guarantee for hundreds of years the future of Mururoa."

Many feel that this ambiguous tone lent an air of respectability to the French program. Indeed, to the consternation of environmentalists, *La Dépêche*, the main Tahitian daily newspaper, immediately proclaimed that Cousteau had given Mururoa a clean bill of health. "The world's most famous protector of the environment . . ." the paper said, "has concluded that the tests made there are totally harmless. . . . This categorical *nyet* will no doubt carry enormous weight among those who for



years have maintained an opposition to the tests and wish to boot France out of this region of the world. . . . Cousteau has taken all the samples he wanted, he has dived wherever he wished and has made all the measurements he deemed necessary. His 'green light' should therefore silence the voices of the often partial and dishonest individuals who criticize the . . . tests."

Cousteau was subsequently blasted by Danielsson in an open letter to the press. "For once you are out of your depth," Danielsson wrote. His main complaint was that Cousteau, knowing that the test explosions were almost always carried out at depths between 2,000 and 3,900 feet, limited his exploration of the atoll structure to the top 500 feet. Even at the relatively shallow depths reached by Cousteau's divers, Danielsson said, there was clear evidence that the underpinnings of Mururoa had suffered damage—to the point where leakage may occur from the underground test sites.

"This was an exploratory mission," responds Bertrand Charrier, research director for the Cousteau Society. "It was not total or complete. It is difficult to get authorization to stay a long time at this place. Our conclusion is to push the government to give more information to the scientific population."

The potential for radioactive leaks at Mururoa is supported by the computer models of Manfred Hochstein and Michael O'Sullivan, researchers at the University of Auckland in New Zealand, who recently reanalyzed data collected by the three-nation team that visited Mururoa in 1983. Their work shows that the fracturing caused by dozens of explosions has made the rock much more permeable than the French contend. According to the computer models, radioactive substances may leach to the surface in tens of years rather than the 1,000 years that the French government estimates.

The data came from temperature readings taken by the French over a period of 500 days in a 2,000-foot-deep hole, near the site of a nuclear explosion. In that time the temperature at the bottom of the hole dropped 18 degrees. Normally the temperature at the depth is maintained by a natural geothermal heat radiating up through the rock. The heat also produces a sort of conveyor belt for water that leaches into the atoll foundation. The warmed seawater rises through the basalt, seeps through the limestone laid down by coral in millennia past, and enters the lagoon.

Hochstein and O'Sullivan theorized that such a temperature drop could be caused only by cold seawater leaching through the rock at an increased rate. Their model closely matched the observed temperature change, they found, when they had seawater leaching through the rock at a rate that could be possible only if a vertical "chimney" of fractured rock had been formed above the spot where the bomb had exploded. "Our model," says O'Sullivan, "suggests that there can be movement from a bomb site up to the lagoon in ten to fifty years."

French reports indicate that rock can be fractured up to 1,300 feet from the bomb site; they also confirm that water quickly fills the fractured zone. "During the first tenth of a second," one government report explains, "the explosion creates a spherical cavity containing several thousand tons of vitrified lava. . . . Within a few minutes this system cools down, causing the lava to solidify and lowering the gas pressure in the

cavity. The roof of the cavity, having been fractured by the explosion, is no longer held up by the gas pressure and collapses. . . . [It] forms a sort of 'chimney' filled with rubble. . . . The voids in the rubble rapidly fill up with water, and within a few days to a few weeks the terrain can be said to be permanently stabilized." Despite the apparent contradiction in the last sentence—with water rapidly filling the voids, it's hard to see how the terrain can be "permanently stabilized"—officials insist that the fracturing never extends up into the coral.

Ironically, the medical consequences of any radioactive release, past or present, may never be known. Throughout French Polynesia one hears numerous claims about cancers that have been caused by radiation from Mururoa, but such anecdotal reports are useless to epidemiologists seeking a link between an environmental factor and a rise in the incidence of disease. Danielsson claims there is evidence of a rise in rates of thyroid cancers, brain tumors, and leukemia—all of which can be radiation induced—but he admits that the statistics are flimsy. "The French authorities," he says, "haven't published any health statistics since the first bomb was exploded. It's a military secret," they say. Then, when you confront them with a rise in cancers, they ask, "Where are your figures?" Danielsson believes the government's attitude is summed up in its refusal to allow France's National Radiation Laboratory, whose purpose is to measure and assess the effects of radioactive levels in the environment, to conduct studies in French Polynesia.

The three-nation team that visited Mururoa in 1983 concluded that health statistics for Tahiti are so limited as to be useless for any investigation of heightened rates of cancers that might be due to the nuclear testing. A registry for tracking cancer cases was not established until 1980. And only since 1983 has French Polynesia had a death certification system that requires the cause of death and contributing factors to be recorded. Finally, the population of 188,000 is so small that it would take an enormous dose of radiation to cause a statistically significant jump in cancer rates. Much about Mururoa, and now Fangatuafoa, it seems, will remain a great secret for a long time to come.

[From the Christian Science Monitor, May 17, 1989]

#### WORLD POWER CENTER SHIFTS TOWARD PACIFIC RIM, STUDY SAYS (By Peter Grier)

WASHINGTON.—By the year 2010 Japan will have emerging military might. China will have risen near the top of the superpower ranks. The Soviet Union's share of the global economy will diminish, while the United States' share will stay about the same.

These are among the key trends in world power for the early 21st century, according to a new RAND Corporation study.

Prepared for presentation to the Department of Defense, the study says that gradual change in the next 20 years will have dramatic geopolitical effect.

Economic and military power will continue to shift to Pacific Rim countries.

"The orientation of Japan and China toward the United States and each other—whether they are allied, friendly, neutral, or belligerent—will be no less important for US interests than is the continued adversarial posture of the Soviet Union," the RAND report concludes.

Japan's economic rise has already been accomplished. Today this small island nation has a gross national product about the same as that of the gigantic Soviet Union. With continuing strong economic growth and a relatively low birthrate, Japan will surpass the US in one key indicator of economic strength, per capita GNP, by 2010, according to RAND predictions.

Perhaps more surprising is Japan's predicted rise to a middle-rank military power.

Although Japan devotes a relatively small slice of its GNP to defense, it is growing so rich that by 2010 its military budget will approach that of West Germany and other principal NATO allies.

If in response to some perceived threat Japan boosted defense spending only slightly, to some 3 percent of its GNP, by early next century its military budget would be more than 70 percent of that of West Germany, the United Kingdom, and France combined.

China's military spending will also rise significantly. By early next century the Chinese defense budget will be about half that of the US or the Soviet Union, predicts RAND, particularly if economic modernizations continue to be successful.

Increased tensions, and a possible arms race, between Japan and China are one danger the US must watch for in 2010, RAND warns.

It is also likely that the Chinese domestic economy will soon overtake that of the Soviet Union. China is so large and its economic growth rate so strong that by 2010, RAND predicts, it could even pass Japan and become the second largest economy in the world, after that of the United States. With its large population China would still have a low per capita GNP, perhaps only 10 percent that of the US.

The Soviet Union will likely continue to struggle economically.

The political change now sweeping that vast nation makes any economic forecast uncertain; but under almost any scenario RAND envisions, the Soviet economy falls to fourth largest in the world.

The US, by contrast, will be running in place. Today the US GNP accounts for roughly 22 percent of all the goods and services produced in the world; RAND foresees the same US slice in the year 2010.

#### MEMORIAL DAY—A DAY TO HONOR OUR VETERANS

(Mr. PAYNE of Virginia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAYNE of Virginia. Mr. Speaker, when we leave here today, most of us will return to our districts to take part in one of the most significant observances on our national calendar, Memorial Day.

We had all hoped to be able to report to the veterans of our districts, and to their families, that we had completed the necessary work to insure that those who needed medical care would continue to receive it, uninterrupted. And I sincerely hope we can return next week and quickly resolve this impasse which has developed.

These veterans we honor this weekend should be a mute reminder of the

obligation we have to the present day survivors of our wars. For the veterans we honor on Memorial Day have made the ultimate sacrifice in defense of liberty.

Who can know what words have not been written, what songs not sung, what contributions of mankind have gone unmade, because of the sacrifices made by those we honor.

Was the sacrifice worth it? All we need to do is observe the international scene today. In the Soviet Union and in Eastern Europe, voices are raised to demand democratic participation. In China, where it was once feared that communism had invented a sort of mass human, 1 billion people strong and bending to the will of its leaders, the yearning for democracy will not be denied.

Those who rest today beneath the flags and flowers we place in their honor are thankfully memorialized. And those of us who live today, as free men and women in a land where freedom is our right, owe not just our gratitude but our pledge to never forget.

#### INTERNATIONAL ASSOCIATION OF FIREFIGHTERS ENDORSES H.R. 293, THE FIRE SAFE CIGARETTE ACT OF 1989

(Mr. MOAKLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOAKLEY. Mr. Speaker, I would like to take this opportunity to thank the International Association of Fire Fighters for their recent endorsement of H.R. 293, the Fire Safe Cigarette Act of 1989.

The International Association of Fire Fighters represents 177,000 firefighters throughout the country, who risk their lives to save individuals from perilous fires. The IAFF has been very concerned and active in the effort to reduce the number of fires caused by carelessly discarded cigarettes.

I commend the IAFF for their dedication and untiring support for the legislation I, along with Senator CRANSTON and Senator HEINZ introduced which would direct the Consumer Product Safety Commission to promulgate cigarette fire safety standards.

According to the National Fire Protection Association, cigarettes are the leading cause of fire deaths in the United States, which has a fire death rate double that of any other industrialized nation. For example, according to 1986 statistics, 231,200 cigarette initiated fires resulted in 1,506 civilian deaths, 3,559 injuries, and \$402 million in property damage. All too often innocent victims of this needless destruction include the child asleep in the upstairs bedroom, the elderly neighbor in the apartment next door,

or the stranger in a nearby hotel room.

I am delighted that the International Association of Fire Fighters joined with the National Fire Protection Association and the International Association of Fire Chiefs and fully endorsed H.R. 293. I would like to thank the President, Alfred Whitehead, and all the members of the IAFF for their undying commitment to the Fire Safe Cigarette Act of 1989.

□ 1010

#### TRIBUTE TO PROF. ATTICUS EDWARDS, OLDEST LIVING ACTIVE DEMOCRAT IN TEXAS

(Mr. SARPALIUS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SARPALIUS. Mr. Speaker, there is in my district a man who has devoted his life to making our political process work. On the occasion of his 99th birthday, I would like to reflect for a moment on his accomplishments.

Prof. or Prof Edwards, as he is affectionately known—first got involved in politics at the age of 6, passing out brochures in William Jennings Bryan's 1896 Presidential campaign. That relatively simple task sparked an interest in politics that literally has spanned the 20th century.

He was a Democratic Party precinct chairman for more than 30 years, a member of the Wichita County Democratic Executive Committee and county party chairman for more than 20 years. He was a delegate to both the 1968 and 1972 Democratic National Conventions. Today, he is the oldest living active Democrat in Texas.

But, he did more than just work in campaigns for a party. He taught history and government at Midwestern State University to countless generations of students. He helped the spiritual growth of the young as well, serving for 41 years as a Sunday school teacher at First United Methodist Church in Wichita Falls.

Mr. Speaker, most of us can only dream of having the career Prof Edwards has had. I would ask the House to join with me in wishing him a happy 99th birthday.

#### INTRODUCTION OF LEGISLATION TO AUTHORIZE FEDERAL AGENCIES TO USE SETTLEMENT NEGOTIATIONS IN ADMINISTRATIVE DISPUTES

The SPEAKER pro tempore (Mr. KANJORSKI). Under a previous order of the House, the gentleman from Kansas [Mr. GLICKMAN] is recognized for 5 minutes.

Mr. GLICKMAN. Mr. Speaker, today I am introducing legislation to bring some commonsense back to Government by authorizing Federal agencies to use settlement negotia-

tions, conciliation, facilitation, mediation, fact-finding, minitrials, and arbitration to resolve administrative disputes. When Congress enacted the Administrative Procedure Act, it intended to offer prompt, expert, and inexpensive means of resolving agency disputes as an alternative to litigation in Federal courts. However, administrative proceedings have become increasingly formal, time-consuming, costly, and less likely to result in a consensual resolution of the issue.

Alternative dispute resolution procedures have been used in the private sector for years and have, in many cases, led to faster, cheaper, and more creative, and less contentious results. The Government would benefit similarly by adopting them in appropriate cases that the Government decides, or to which it is a party. Such commonsense procedures also will benefit the private parties involved in drawn-out, expensive, administrative proceedings.

This bill enjoys tremendous support. The American Bar Association lists alternative dispute legislation as one of its top 10 legislative priorities for the 101st Congress. The Administrative Conference of the United States has been at the forefront of improving the administrative process through alternative dispute resolution techniques. Further, with respect to arbitration, the Supreme Court's recent decision in *Quijas* versus *Shearson/American Express* contains its "strong endorsement of the Federal statutes favoring this method of resolving disputes."

I hope that my colleagues will join me in support of this positive and noncontroversial measure.

#### A DISTURBING PATTERN DEVELOPING ON SCIENCE AND TECHNOLOGY BUDGETS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. WALKER] is recognized for 60 minutes.

Mr. WALKER. Mr. Speaker, I would like to spend a little bit of time today talking about a disturbing pattern that I see developing in the House of Representatives, and which worries me with regard to the future direction of the country. That pattern is the consistent attack that is taking place against science and technology in this body. A few weeks ago, just a couple weeks ago, we had a budget process that went through this body and within that budget process we found that this Congress was unwilling to commit as much to the research and development programs of this country as the administration thinks we need.

The administration had suggested that in science, space, and technology programs, our civilian side needed about \$15 billion a year. Congress cut that by about \$1 billion when all was said and done. That means that programs that are vital to developing high technology for our future will be undermined by congressional action.



That, I think, is a disturbing kind of determination of priorities.

What we have essentially decided as a part of that budget process is that there are things which we are willing to subsidize today out of the past that are more important than the jobs of the future. I do not think there is any Member of Congress who doubts that the high technology of today, the research and development of today, the science and technology of today, are what will be required to produce the jobs of tomorrow, that the future of our young people depends upon the investments we make in the future through science and technology at the present time.

What we are doing with our money is that we are subsidizing things of the past, things for instance like subsidizing passenger rail travel in this country with \$600 million a year, while cutting back on science and technology.

Now, you know, everybody thinks we ought to have passenger rail travel in this country. The question is whether or not we ought to have it in the way that we now do it where we subsidize runs across the country that no one wants to travel on. We subsidize empty trains. Would it not be better to have a passenger rail travel that was actually profitable and actually carried people to where they want to go? It seems to me that would be a different kind of rail system than what we subsidize. It would also, though, cost the Government \$600 million less than what we now pay for.

I think that \$600 million would probably be better spent toward advancing our space program, toward producing high technology, toward doing all those things which are necessary to have the jobs of the future.

That is not the only subsidy program. There are numerous others. We have the Economic Development Administration, where 50 percent of the loans they give go down the tube because the companies go bankrupt.

I would suggest we would be better off investing in the future, rather than investing or subsidizing the past; but if it was just the budget process, maybe I would be just a cry in the wilderness. Maybe that is something we cannot escape; but yesterday I think we proved once again that this body is moving away from the idea of technology being the driving force for our future. Yesterday we had a measure on the House floor, the so-called star wars for drug amendment. Well, that was an interesting amendment, because what the people who brought it to the floor claimed was they were going to take money out of the military and put it into drug interdiction.

Well, you know, there is a lot of appeal to that. Maybe some of us would have been a little more receptive to the idea if what they were doing was talking about taking mili-

tary waste and putting it over to fighting drugs.

But were they talking about closing obsolete bases and doing that kind of thing? No. The proposal before us yesterday was to take the money out of the high-technology programs of the Defense Department and put it into domestic programs.

First of all, it was a violation of the budget agreement that had been arrived at by both the Congress and the administration; but second, I think the attack on high technology is particularly disturbing.

Now, some people will say, you know, well, it is high technology, military devoted, military derived. Why in the world do we have to go ahead and do those kinds of things?

Well, let me suggest that there is a lot of research and development that goes on in the military area which is extremely important in civilian applications.

□ 1120

We developed jet airliners as a result of the work we did to develop military airplanes. Much of the technology we depend upon in the civilian areas was developed as part of our military investment of the past. The same is true of some of the work being done under SDI.

Mr. Speaker, I will give Members an example of where we on the Committee on Science and Technology, on which I serve, have some joint jurisdiction, and I happen to know a little bit about. There is a program being done under the strategic defense initiative, or star wars, the SP-100 program; the SP-100 program is to develop a small nuclear reactor that can be used in outer space. What it allows to be done is to produce significant amounts of power in outer space.

Why is that important? For SDI it is important to run some of the weapons systems that they think would be necessary for our star wars program, but just as important, it seems to this gentleman, is the fact that that kind of energy is exactly what is needed to produce products commercially in space. One of the main problems that we have for our space stations of the future, for any kind of space facility that we build in the future, is to have adequate power.

Mr. Speaker, the way we power space programs and space vehicles today is with solar arrays. They can produce some energy but not large volumes of energy. If we had a reactor that was capable of producing large amounts of energy, we could take that energy from a point in space, microwave it to facilities that are on-line, and produce a whole range of new products.

Why do we want facilities out in space producing new products? Because we believe that there are things

that can be made there that will benefit all of humankind. We believe, for example, that we can make drugs in lower orbit that cannot be made on Earth that offer possible cures for hemophilia, for diabetes, for cancer, and a number of other diseases. That seems to me that it is something in the interest of humankind, but we have to have energy in order to do it.

The energy could be provided by work that is now being done under the SDI program. But where did the liberals who brought the program to the floor yesterday decide that they were going to take their military money from? They decided they were going to take it out of high technology and that they were not going to take it out of obsolete military bases. They were going to take it out of high technology, and that in itself might be just a singular issue, but there is a pattern. There is a pattern that we do not fund properly our civilian research and technology under the budget, and then we turn around, and under the military budget, we attack high technology there. That is a concern to this gentleman, because as I look at it, I think what we are doing in this Congress is being terribly foolish about the future.

Mr. Speaker, we are finding that this Congress is unwilling to face the real issues of the future. We have become a little like the Luddites of the 19th century where what we do is we are suspicious of technology, and we begin to tear it down. In fact, I find that in much of the liberal agenda kind of a suspicion of technology, that so many are against nuclear energy of all kinds, so many are against going ahead with the technology programs that develop things for our future. We even find them opposed to things like a space station and some of the major programs of our space program, that it seems to me it is a shame, and I think we will pay a tremendous cost in the future of this country if we allow them to continue to tear down the high-technology programs, the research and development programs that this country needs.

I would hope that we begin to see a reversal of that pattern, that we begin to see science and technology emphasized, that we begin to see priorities put on science and technology so that we produce the economy of the future, so we are competitive as a nation in the world economy of the 21st century.

If we continue along the pattern that Congress has been moving in the last few weeks, this Nation will pay a terrible price. I am confident that maybe we can turn it around, maybe we can get people to see the light, maybe science and technology will come back into vogue.

# TRIBUTE TO SENATOR WARREN MAGNUSON

(Mr. MORRISON of Washington asked and was given permission to address the House for 1 minute.)

Mr. MORRISON of Washington. Mr. Speaker, I wanted to take just this moment to indicate to my colleagues in the House that citizens in the State of Washington from all walks of life are gathering in a few hours in Seattle to pay final tribute to Senator Warren Magnuson.

At age 84, we have lost Maggie, after some four decades of public service. And since some of us were unable to leave in time last night to attend those services, I just wanted to indicate, even though we disagreed on a number of subject areas, a tremendous base of respect for a man who perhaps had the greatest social conscience of anyone I have known in modern times. He served us very well, provided leadership in a variety of areas, and the State of Washington and, I believe, the United States of America will miss and remember Warren Magnuson.

## GORBACHEV'S INITIATIVES DEMAND LEADERSHIP AND A COMPREHENSIVE STRATEGY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. LIPINSKI] is recognized for 60 minutes.

Mr. LIPINSKI. Mr. Speaker, the monolithic glacier of international communism is melting away and breaking up all over Central Europe, Eastern Europe, and the Soviet Union.

Liberty, democracy, and independence are budding, blooming, and blossoming through the miniature, median, and enormous cracks in that glacier. Yet, President Bush has made only a precious first step in addressing the revolutionary changes underway in Central Europe, Eastern Europe, and the Soviet Union. The President has turned his grounds for hesitation into conditions for moving forward in relations with the Soviet Union. But at a time when public opinion in the United States and abroad demands a bold, assertive, and emphatic American vision for the future, the President's general outlines of support are only a minute minimum.

The administration must understand that caution is not incompatible with a comprehensive strategy for the future. This fortress of freedom has led the free world through 40 years of bipolar tension. Due to Gorbachev's call for a new Soviet and global order, the leader of the West has been faced with the unprecedented opportunity to present and promote the American vision of the world. American leaders must welcome the challenge and opportunity. In fact, it is increasingly clear that we must seize this initiative, or risk our longstanding, qualified

leadership of the Western democracies.

Caution and conditionality are understandable in light of the potential changes which could result from reengagement with the Soviet Union. The United States is faced with more than just the possibility of a less threatening opponent in the bipolar world; We are faced with the possibility of a new global design where both current superpowers are simply two competitors in a world of many key players, most notably Japan and the nations of post-1992 Europe.

This prospect may be disconcerting. In the interest of comfort, a new American President has balked at monumental restructuring. However, American foreign policy has long revolved around the threat of Soviet attack on the West. Given Gorbachev's December 7 call for unilateral reductions of 500,000 troops and 10,000 tanks by 1990, it is becoming clear that the threat of Soviet aggression is no longer a legitimate basis for foreign policy. Seeking guidance for a new foreign policy, we need only look at the oratory which accompanied the American policy of containment. For 40 years, the United States proclaimed it would not be satisfied with anything short of a free, independent, and democratic Central and Eastern Europe. Due largely to the continued unity of the NATO alliance under American leadership, highlighted by increased American military strength, democracy, independence and liberty for Central and Eastern Europe, and perhaps the Soviet Union is within reach. Since the United States played the principal role in creating the current opportunities for liberty, independence, and democracy, and assuming we were serious in our calls for all of these, shouldn't we lead the movement toward a new order in Europe and the world?

West Germany is helping answer that question. Chancellor Helmut Kohl and Prime Minister Hans-Dietrich Genscher have made it clear that West Germany would gladly fill any leadership gap. In West Germany's recent maneuvers and the consequent rift in NATO, America is presented with a worst-case scenario: Liberalization and reform progress in the Soviet Union; a tentative United States fails to present a strategy and vision in response; the frustrated and anxious nations of NATO respond to Gorbachev's initiatives independently or with a country other than the United States at the helm. Secretary of State James Baker fears that "West German politics will undermine the security of the alliance." In reality, the threat may not be to the security of the alliance, but rather to the security of American leadership of the alliance.

Therefore, an American vision in response to Gorbachev is not only ap-

propriate to continue the fight for democracy, liberty, and independence which we have led for 40 years, visionary leadership is crucial in maintaining America's role as leader of the free world. Dissent among our European allies and the unraveling of NATO are too high a price to pay for a tentative response to Gorbachev. Furthermore, Chinese signs reading "Mikhail Gorbachev: Champion of Political Liberty" should not be taken lightly. Even if the White House is satisfied writing off Gorbachev as a drugstore cowboy, most American leaders and citizens do not enjoy the daily documentation of the country's flailing leadership.

Failure to present a comprehensive strategy toward changes in the Soviet Union and to promote our vision of a new global order is to grant Gorbachev continued preeminence as today's lone world leader. Why should there be merely one strategy for creating a new structure in Europe and the world? This land of liberty can do better, and must do better.

President Bush must enter the May 29-30 NATO conference not with a series of reactions, but with a positive comprehensive plan. In the context of a carefully deliberated strategy, the harder lines of U.S. policy will be easier to sell to our allies. Likewise, much-feared concessions to European sentiment, such as negotiations on short-range nuclear weapons, can be practical and palatable as part of a U.S.-sponsored NATO package. The positive comprehensive plan must feature dramatic long-term potential for East-West relations, within a stepwise progression. A strategy of vision will unify NATO, adequately encourage the Soviet Union to continue reforms, and regain some of the public relations momentum monopolized by Gorbachev. Strong conditions for integrating the U.S.S.R. into the global economic order provide for adequate caution. Conditionality ensures that the Soviet liberalization process is gradual and long-term, yet allows Glasnost' momentum to grow toward 1991, when the West can push for more significant changes in the next Soviet 5-year plan.

On May 12, President Bush made a first step by turning grounds for hesitation into conditions for increased American cooperation. Rather than refuse to negotiate because of Soviet support of the Sandinistas, sale of arms to Libya, or excessive military production, the United States should outline the policies to be enacted once our conditions are met. In effect, this land of the Pilgrim's pride would be continuously defining and pushing Gorbachev's agenda. We have a new world order to gain and American leadership to maintain.

Militarily, the strategy must be bold, assertive, and comprehensive in



nature, with the ultimate goal of adequate deterrence at a lower, less costly level of military power. Nuclear arms reductions must be tied closely to conventional force realities. NATO force reductions must be tied closely to verifiable Soviet good faith in the areas of regional conflict and military production. Working toward this stabilizing package deal, nothing should be considered nonnegotiable.

President Bush has placed undue emphasis on the modernization of short-range weapons in West Germany, endangering Kohl and dividing NATO. A far greater priority should be the modernization (mobility) of U.S.-based ICBM's, which along with our submarine-launched missiles, are the real key to nuclear deterrence. Can we reasonably expect the West Germans to accept modernization of the Lance missiles when American politicians have failed to update our ICBM's, although this has been a recognized necessity for a dozen years? German short-range missiles would destroy Germany in a war. The missiles' strategic role is to legitimize the flexible response theory, an idea rendered obsolete by the elimination of intermediate-range nuclear missiles. This land of the free should open short-range missiles to negotiation, provided such negotiations are contingent on parity of NATO-Warsaw Pact conventional forces. Participating in negotiations would ease West German discontent, while linkage of missile elimination to conventional reductions would expedite Soviet conventional force cuts. The home of the brave has no interest in displacing a friendly West German Government, and could at least afford to put aside the issue until after the West German elections.

In addition to linking negotiations of conventional and nuclear forces, a high degree of linkage between various areas of regional conflict would also serve to push the agenda toward stability, independence and democracy. On May 15, after \$2.7 billion of direct military assistance over 8 years, the Soviets agreed to stop supplying the Sandinistas. If our aim is to stabilize regional conflicts, America should be prepared to rethink its role in Afghanistan upon verification of the cessation of Soviet arms shipments. A perfect test case for a unified effort toward international stability is Cambodia. By calling for a settlement based in democratic elections, and working with China and the United States to ease tensions in Cambodia, Gorbachev can make a meaningful display of good faith. Surely the United States would change its view on supplying arms to Prince Sihanouk and Son Sann if the U.S.S.R. reconsidered its massive support of the pro-Vietnamese administration of Hun Sen. Less problematic opportunities for the display of good faith include halting

arms sales to terrorist nations like Libya and Syria, not to mention continued progress on human rights and personal freedoms within the Soviet Union.

Linkage of various aspects of United States-Soviet relations, and the long-term, progressive relationship that results, provides sufficient lead time to ensure Soviet military production and capability recede to levels matching Soviet promises. Eventual parity in conventional forces, below current NATO levels, will serve stability in Europe. Reduced tension can eventually lead to the breaking down of European unnatural barriers, a longtime goal of the United States. With a bold, creative, and unified strategy, the United States can push the agenda toward that end. We must proclaim the next step, not impose the next roadblock.

Can we really expect to push the Soviet reform agenda when it involves so many Soviet concessions to the American will? First, President Bush must realize that an active, attention-commanding hard line is favorable to a hesitant, disengaging hardline. Second, the United States has an enormous amount to offer the Soviet Union economically. The importance of American economic cooperation should not be underestimated, considering that the failure of the Marxist-Leninist economy is the taproot of the multifaceted reforms underway in the Soviet Union. Yet of all the potential responses to Soviet initiatives, a new American economic policy may be most troublesome. Ronald Reagan's military buildup drove the Soviet economy into the ground, and Gorbachev to the bargaining table. Perhaps we should be satisfied with this triumph of sorts. But upon careful consideration, the true goal of American foreign policy has been to promote independence, democracy and liberty in the world, not simply to destroy communism. If the Soviet Union is prepared to move toward greater freedom for the peoples in the Soviet sphere, it is those long-struggling people which should be at the root of American policy. America's greatest leverage comes from its economic power, and we should use that leverage to help create the freer, more democratic world we have championed for so long.

Economic cooperation need not include subsidizing the Soviet Government. The United States is not in the economic position to initiate new credits or provide economic aid. We can, however, foster open economies in the Soviet bloc by breaking down existing trade barriers and encouraging private sector ventures. The first step is to match Gorbachev's military and political Glasnost with American economic Glasnost, breaking down barriers toward integration with Soviet bloc economies. Trade arrangements can

help the Soviet Union, and Central and Eastern Europe address the crucial problem of large hard currency debts. Granting Most Favored Nation status to these countries, contingent on continued progress in human rights and personal freedoms, is a necessary first step. The boldest trade initiatives should first be concentrated on Central and Eastern European nations, foremost Poland and Hungary. The President has already offered GSP status and the extension of OPIC jurisdiction to Poland, which are just the beginning of potential United States cultivation of open economies. By creating a new trade program as Soviet bloc markets open up, the United States can ensure ethical trade. Countries like Japan often see foreign countries only as markets for their products, without commitment to the social and political ends achievable by economic means. To allow trade arrangements based solely in profit motives is to allow the separation of the military and the economic response to Gorbachev's initiatives. To ensure other countries assume ethical trade arrangements, America must take the lead. Breaking down impediments to trade with the Soviet bloc is not subsidization, it is cooperation. Given the monumental liberalization underway, cooperation is deserved.

The Government should direct a unified effort by American industry to encourage the private sector of Soviet bloc economies. The more successful the private sector and the market element of the economy, the more readily the Soviet Union and its satellites will turn toward those sectors. If Central and Eastern European countries are to integrate into the free market system, increased productivity will be the driving force. Therefore, America must try to influence these countries to use their limited resources on imports that will add to labor productivity. United States exports to the Soviet bloc should focus on energy-saving equipment and technology, precision measuring and testing instruments, and pollution control technology. In the euphoria of newly opened markets, it is important that the Soviet bloc not concentrate on unnecessary consumer products which do not facilitate economic recovery. Joint ventures in economically important industries will provide blueprints to build and maintain vital industries. Joint ventures will increase the standard of living for participants, which should translate into the growth of the private sector. Finally, management training programs for hopeful capitalists in the Soviet bloc will enhance the success of private sector, and promote American leadership of the capitalist system.

To little surprise, the United States has already fallen behind in leader-

ship in this economic sphere. West Germany, the world's biggest exporter, has long been the Communist world's chief trading partner. In 1988, West Germany was responsible for \$9.3 billion in trade with the Soviet Union. Forty-four percent of European Economic Community exports to the Soviet Union came from West Germany, as did 48 percent of exports to Eastern European countries. West Germany is involved in 40 joint ventures with the Russians, and more are likely now that foreigners can hold a majority stake in such ventures. West Germany concentrates in the correct industries—engineering, technology, and environmental protection. In June, Kohl and Gorbachev will sign an agreement for West Germany to train 1,000 senior Soviet workers and executives. A "House of the German Economy," featuring a hotel, office, and conference facilities, will be built in Moscow. West Germany correctly believes the success of perestroika will only enhance its economic power. The Germans assume that personal contacts from these ventures will pay off in future business as Soviet bloc economies continue to open up. In short, West Germany is prepared to lead the integration of Central Europe, Eastern Europe, and the Soviet Union into the economic order, and reap the economic benefits of that leadership. We need not subsidize the Soviet Union, but to remain uninvolved economically with Central and Eastern Europe is to sacrifice United States competitiveness in a new market of great potential.

Ultimately, with American encouragement, the unnatural barriers of Europe can be destroyed, with each independent nation determining its own economic and political system. As the United States responds in favor of Soviet reforms and independence for Central and Eastern Europe, we must keep in mind what a new global order may hold. In a world where military power is stabilizing rather than threatening and where expansionism is no longer at the heart of superpower interests, economic competitiveness will be a greater aspect of national security.

If addressed with a comprehensive strategy, military and economic preparation for a new global order can go hand in hand. While American diplomats begin a process of cooperation and integration with the Soviet Union, American policymakers can turn to preparing for the new international battlefield—the field of economic competition. Whether directed by the United States or not, Soviet reforms and eventual European independence will be, in the long term, providing time for America to restructure its priorities toward economic competitiveness. If the United States, with its current priorities, was faced today with

post-1992 Europe, new competition for Central and Eastern European markets with Japan and West Germany, along with growing Asian and Pacific markets, we would be ill-equipped to maintain a global position of superiority. But we have a chance to shift our focus to economic competitiveness, a focus which is perfectly compatible with the decrease in the Soviet military threat.

For instance, while Japan has had the luxury of investing in research and development of new products to dominate American and world markets, the United States has garnered the duty to invest in defense R&D for the protection of our Nation and allies. While the United States, which spent \$100.8 billion dollars on R&D in 1987, outspends both Japan, \$39.1 billion; and West Germany, \$19.4 billion; American R&D is dominated by defense objectives. While 69 percent or \$69 billion of United States R&D funds went to defense in 1987, the Japanese spent 4.5 percent—\$1.7 billion—and the West Germans 12.5 percent—\$2.4 billion—of their R&D funds on defense. Japan, West Germany, France, Great Britain, and all industrialized nations gear R&D expenditures toward economic competitiveness more than the United States; 15.3 percent of West German R&D funds, \$2.9 billion, go to industrial development, as does \$1.9 billion, or 4.8 percent of Japanese R&D expenditures. The U.S. Government feeds only \$200 million into industrial development R&D. Obviously, Japan and West Germany are busy preparing for a world of free markets, where economic competitiveness is key to national security.

Gorbachev's reforms in the Soviet Union offer a chance for more than just decreased international tension and increased military stability. Gorbachev's initiatives offer the United States the opportunity to put more money back into our industry, our technology, our products, and most importantly, the American people. It is a chance for us, spelled capital United States, to regain our crown as the economic powerhouse on this planet. The United States faces an uphill battle in education, another aspect of international competition which has been largely ignored compared to other industrialized nations. Both Japan and West Germany spend roughly 50 percent of R&D funds on "Advancement of Knowledge," compared to 3.6 percent in America. Finally, in a world of new markets, free trade, and increased economic competition, the glaring problems of our national debt, trade deficit, and fiscal irresponsibility will be even more severe. This hints at another unsatisfactory reason for Presidential hesitation. Global political changes do not wait for America to get its economic house in order. In the interests of promoting

democracy, liberty, and independence, we must cooperate with the Soviet Union. Simultaneously, the United States must prepare for the potential world of the future.

The implications of the U.S. response to Mikhail Gorbachev's initiatives are obviously far reaching. Thus, a positive, comprehensive strategy and vision, rather than a collection of reactions, is the requisite response of the leader of the free world. If the United States wishes to remain that leader, it is important that President Bush have such a program as he heads to Brussels at the end of the month. The United States has fought for a free, democratic, and independent world order since World War II. Without our leadership, the current opportunities for peace, democracy, and independence would not exist. Just as President Bush says, "Don't stop now" to Mikhail Gorbachev, the United States must not stop leading the fight for freedom.

We must continue leading the struggle for liberty, independence, stability, democracy, peace, progress, and prosperity, in an arena less hostile but much more promising, less comfortable but potentially more secure. Simultaneously, the United States must prepare to be the leader in the world of the future, a world more peaceful, but also more competitive, and no less challenging.

□ 1050

#### BIPARTISANSHIP AND FAIR SCHEDULING

The SPEAKER pro tempore (Mr. KANJORSKI). Under a previous order of the House, the gentleman from Georgia [Mr. GINGRICH] is recognized for 60 minutes.

Mr. GINGRICH. Mr. Speaker, I am just going to speak for a few moments about the week's schedule and honest, fair bipartisanship.

When I was first elected Republican whip, I was asked what I thought about working with the Democratic leadership, and I said that I believe in honest, fair bipartisanship. What I meant by that is that both parties in the House, the Democrats and Republicans, should be able to work together. We should be able to work out fair opportunities under reasonable rules for both sides to present their ideas and then decide which more accurately represents the American people and which has the better ideas and which ought to win votes on the House floor.

I think that this week's schedule was an example of exactly the opposite. It was unfair. It was in fact not giving the Republicans an opportunity that was fair to present their ideas, and it was at the same time, I think, giving the leftwing of the Democratic Party an exaggerated level of recognition on



the floor in terms of what they were determined to bring to the floor.

I want to focus on four things in explaining this week's schedule and how it evolved in yesterday's votes. I want to talk briefly about the process of a supplemental appropriation bill and why we have been fighting about it for the last several months. I want to talk, second, about the Democratic propensity to want to have a credit card mentality in offering money for whatever the most recent fad is without paying for it or accounting for the money they are willing to give away, thereby making it harder to get to a balanced budget.

I want to talk, third, about the extraordinary process by which the left-wing Democrats were allowed to bring up a bill which had been written hastily, had never been before a subcommittee or committee, had never had hearings, and which broke the bipartisan agreement with the President on the budget.

Finally, I want to talk about Congressman GEORGE GEKAS, of Pennsylvania, and his superb effort to repeal section 89, a provision of the Tax Code which is killing health insurance for working Americans and small business, and the way we had to fight that fight because of the Democratic leadership. I have to say that I am very sad about the way yesterday went. I think it is unnecessary for us to leave those kinds of fights, and I think if we had honest, fair bipartisanship, we would not have those kinds of fights.

Let me start, first of all, with the struggle that has been going on with the Appropriations Committee. The Appropriations Committee, since the beginning of Congress 200 years ago, likes to spend money. That is the nature of the Appropriations Committee. They write the real checks that buy real goods and services.

President Bush is leading a struggle to bring spending under control. He is continuing the process that began under President Ronald Reagan. In the end, the center of that struggle, the core areas, if you will, of the difficulty is the appropriations process. Normally Appropriations Committees are supposed to report out the regular appropriation bills that are in effect at the beginning of the year. Toward the end of the year they discover in some areas they have not produced enough money, where there is a drought in the Midwest, when there are fires in the mountains or there are difficulties with problems such as the Veterans' Administration, or they discover they need more money for health, and at that point they report what is called a supplemental appropriation bill.

Historically, supplement appropriation bills are the place where we begin to discover the real pork. At that point the appropriators have an opportunity to take care of themselves and their

districts and their friends, and all of a sudden we begin to find bigger and bigger amounts of money, so that the President will ask for \$1 or \$2 billion for very specific things. In this case the driving force was the veterans and helping the veterans' hospitals.

□ 1100

Then the Committee on Appropriations, seeing, if my colleagues will, a legitimate opportunity come by, will start putting pork barrel on top of it, and presently what started as a veterans program will have far more money for nonveterans things and to take care of other programs. We have been struggling in the House with the Committee on Appropriations for over a month now trying to force them gradually into shrinking the size of their bill, putting it on a diet, if my colleagues will, and, in fact, by yesterday morning we had cut over a billion dollars out of the original supplemental. We had gotten it much further down and closer to something President Bush could sign. In the process the veterans find themselves waiting for adequate medical service, waiting for enough drugs and enough other things to be done.

Games are played by the Appropriations Committees in both the House and the Senate in the whole process of dealing with the bill, and the result is that the country and the American people in the interest of veterans are held up while the politicians play games to see if they can find a way to pass the money for their friends and their allies in their interests.

We worked very hard on this. The bill that was passed yesterday in not quite as good as it needs to be. It is a billion dollars better than it would have been without the Republicans being so active, and in that sense I think the Republicans can take credit of getting us a billion dollars closer to a balanced budget.

However we have a very long way to go, and frankly the liberal Democrats, many of whom are credit card liberals, they remind me of teenagers who think, if they charge with a piece of plastic, somehow the store will never find them and send them a bill. So, they are always shocked to discover there is a deficit, and they are always eager to raise taxes, but there are very few spending programs they object to. That was the general situation.

Now in this particular supplemental appropriations bill we had a fascinating \$820 million that was supposed to be for the war on drugs. Now we call supplemental appropriations—the term we use here is dire emergency. The reason they added those two words was that supplementals had become basically just one more way to spend money, and so in theory a dire emergency supplemental bill is sup-

posed to be something needed right this minute.

In fact, the liberal Democrats put \$820 million in for drugs, not to be spent this year; this is for the war on drugs, not to be spent this year, not to go directly to the police, not to go directly anything. It was next year's money.

"Ah," my colleagues might ask themselves, "why are they putting \$820 million of next year's money into this year's bill?"

For a very practical reason: If they can get the money spent right now, then, when it comes time to write next year's appropriations bill, they will be able to claim that they have another \$820 million available because they will already have sent it forward.

This is a little bit like a teenager who comes in and says, "Can I borrow \$20 of my allowance next month?"

Loan them the \$20, and they show up next month, and they say, "Where is my allowance?"

Then say to them, "Now wait a second. I just loaned you the \$20 last month," and they say, "but that was last month. This is this month."

If it were not real money, if it was not draining resources from the American people, if it was not one more liberal Democratic assault on the idea of the balanced budget, it would be funny because, if we ask these very same people, as we will this summer, where is the \$820 million that was already passed by them back there in May, we are going to hear them get up and say, "That doesn't count anymore," and one of the reasons America has such a huge deficit and one of the reasons we are paying so much money on interest on the debt is that liberal Democrats just cannot control the urge to spend money, and so they insisted on trying to pass \$820 million for the war on drugs.

They say, "Well, that's a good cause." It is a good cause, but it is also true that almost every government agency involved in the war on drugs already has all the money they can spend this year. In effect what they are doing, the same Democrats who lost the war on poverty by throwing money at it, the same Democrats who lost the war in the effort to educate the inner city by throwing money at it, the same Democrats who have created a bureaucratic, liberal welfare state by throwing money at it, those Democrats are now rushing in and trying to, in effect, turn the war on drugs into another welfare state, find another way to build another bureaucracy to spend more of our money without knowing what is going to happen to it and without any accounting for it.

Then we got to an amendment offered by the gentleman from Massachusetts [Mr. CONTE]. I cannot speak too highly of the role that the gentle-

man from Massachusetts [Mr. CONTE] has played in fighting for a balanced budget and fighting to try to bring spending under control on this supplemental. He offered an amendment to return the supplemental to helping only the veterans. We came very close to winning it. That would have sent it through in a way that was correct, and every Republican voted to try to help the veterans and to try to make sure that the veterans got the money immediately rather than keeping money for veterans, and veterans hospitals and veterans medical services tied up in the political system. We barely lost because frankly the liberal Democrats were not happy just helping the veterans. They wanted to also be in a position to go out and spend money on other things.

After that we got to what I think is one of the most amazing things I have seen in the time I have been in the Congress and something which sets a precedent which frankly we intend to insist upon. The leftwing Democrats have been increasingly unhappy. They felt that George Bush is being too successful, that his whole approach of being bipartisan is getting too much done, that, as leftwing ideologues, they are not getting the votes they want on their issues, and so they put tremendous pressure on the Democratic leadership to bring up a leftwing bill that frankly had never been thought through, no one truly knew what it meant, and it was designed to do two things. It was designed, first of all, by leftwing Democrats to weaken the strategic defense initiative, to weaken our ability to defend America against nuclear missiles and to cut down the amount of money that America is spending to research our ability to protect this country from nuclear war. Second, it was designed to transfer money over once again to the war on drugs.

My colleagues are going to see this year, I predict, example, after example, after example of big spending, credit card liberals who label whatever they want to spend money on next, the war on drugs, rush it into this room, make an impassioned plea and say, "Please let's spend money."

Now I want to see a very tough war on drugs, but I think that a very tough war on drugs starts frankly with locking up criminals. It starts frankly with being willing to have the death penalty for certain very serious offenses. It starts by insuring that we have adequate prisons. It starts, as President Bush has requested, by having more prosecutors. It starts by eliminating the exclusionary rule so that, when policemen find evidence, they can use the evidence. It starts by getting money back from the drug dealers by confiscating their property. I think there are many steps to fight the war on drugs.

The one thing I know will lose the war on drugs is letting leftwing liberal Democrats who do not believe in the death penalty, do not believe in strong police forces, do not believe in tough prison sentences, do not believe in tough judges, letting leftwing Democrats decide that they are going to turn the war on drugs into a welfare program, that we are somehow going to hire enough counselors, and enough psychologists and enough people to sit around in enough Government offices that, if only every drug addict had their own friend paid for by the Government to go and talk to, that somehow we would magically cure everybody. I do not think that is going to solve the drug problem, and I do not think frankly for the toughest and most violent drug dealers that hiring a Government psychologist to sit and talk to them is going to change them at all.

I think that there are people who are making a lot of money by addicting our children, and I think those people who are killing folks here in Washington, DC, are frankly mean people who ought to be locked up and off the street, not people who ought to be casually out on furlough visiting their neighborhood leftwing psychologist. In that setting we are going to see offer after offer of big spending by liberals which is going to use the code words "war on drugs," but in fact be the same old liberal welfare state, but this particular bill was, if anything, an even more destructive bill than usual. Imagine the U.S. House of Representatives, supposedly a serious legislative body, supposedly trying to do something that was real, bringing a bill to the floor that fundamentally changes America's most significant long-term research investment in defense, changes it in a very basic way with not a single hearing, not a single expert having looked at the bill, no understanding of what the bill would do. The Defense Department finally got a letter over here that said it would clearly kill the Arrow missile, which is built in Israel and which is being designed to be a tactical defense or a defense against tactical missiles. The leftwing has had no idea of what it was doing. They did not care. It was a symbolic issue. What they wanted was a good solid vote that proved that they were committed to the war on drugs, and I had Members tell me on the floor, "Look, you know this bill is not going to go anywhere. You know the President would veto this bill. You know it's not even going to get through the Senate. Let's just go ahead and vote for a collapse."

But let me suggest to my colleagues there is something inherently sick about a process where Congressmen think they have the right to be totally irresponsible, almost like teenagers, because the President will play the

role of father, and the President will veto the stupid things they do. I think Congressmen have an obligation to actually do their homework. I think Members should have been enraged that a major bill had been written capriciously this week, brought to the floor without any hearings, offered up without a single committee or subcommittee doing any work, and, if we are going to do business that way, let us just abolish all the committees. Let us let any Member who has a good idea show up in the morning, write their idea out in longhand, throw it in the hopper, and we can debate it for a couple hours, and we can vote on it. It is an absolute denial of the legislative process, and it is a sign of how frightened the House Democratic leadership is of their left wing that they would allow their leftwing to talk them into, threaten them into, whatever they did, convince them, that they had to bring up a bill which they knew in their hearts was not only wrong, but it was a step deeper.

□ 1110

That bill was a violation of the agreement, the bipartisan agreement, which had been made with the President on the budget. It took money out of the Defense Department and transferred it to domestic spending.

One of the things that I think the House Democratic leadership had better face up to is that if they intend to have a bipartisan relationship either with House Republicans or with the President of the United States, they have to be able to keep their word. If they promise that they will fight to maintain the budget numbers that are agreed to in a bipartisan agreement, they cannot just make that pledge in the Rose Garden on television. They have to come back here to the House and they have to have the courage to say to their own leftwing, "No, we are not going to vote for a bill like this. It breaks our word to the President and we are going to keep our word."

I will say flatly, having been in the meetings in the White House, having been in the meetings up here and having talked to people, having looked at this situation, there is no question in my mind that the bill which came up yesterday fundamentally violated the bipartisan agreement. If we cannot keep agreements, we are not going to have very much bipartisanship.

Let me turn last then to the effort of the gentleman from Pennsylvania [Mr. GEKAS] to repeal section 89. The gentleman from Pennsylvania [Mr. GEKAS] offered to the Rules Committee on Tuesday a repeal of section 89.

Now, section 89 is a very important issue because the way the Tax Code had been written, the rules are so complicated, the process is so difficult,



that certified public accountants all over America are telling small businesses to cancel their group health insurance. What is happening is in company after company, places where workers and their families have been covered in health insurance by an agreement with the owner, they are now discovering that the cost of the redtape, the cost to the accounting system, the cost of filling out all the forms is so great and the penalties are potentially so great that it is safer for the owner to cancel the group insurance, pay everyone slightly more and buy his own personal health insurance.

Now, in the long run this is, frankly, not in any way hurting the owners because they can afford the insurance.

They are the wealthiest people in the company. The people it is hurting are the poor people who themselves, the average worker who cannot go out and replace group insurance with individual insurance is being hurt.

In this setting, let me suggest, we are faced with a very direct and very straightforward situation. We know that every day that section 89 stays in place that we are in greater danger of having more and more companies cancel their group insurance so that more and more families are without health insurance. We know that is happening every day.

We know there is a bill, and let me draw a contrast back to the leftwing bill, the strategic defense initiative. The leftwing bill has only existed for a couple of days. To the best of my knowledge, it has only a handful of cosponsors.

The repeal of section 89 has over 300 sponsors in a bill by the gentleman from New York [Mr. LaFALCE] of the Small Business Committee. There have been hearings held on the topic. We know what it is doing that is wrong, but the leftwing Democrats do not want to repeal section 89. They have it locked up in the Ways and Means Committee where they want to replace the current terribly written section 89 with a brand new slightly less terrible, but still very, very complicated reform, which nobody fully understands and which will just continue the mess.

Yesterday the gentleman from Pennsylvania [Mr. GEKAS] fought to bring to the floor the repeal of section 89. The Democratic leadership of the House would not make it in order. We fought the previous question, which is technically the way to do that. We came within 14 votes. If seven votes had switched, we would in fact have won the fight to raise the issue and we would have repealed section 89 in the House yesterday.

What I think is wrong and what is basically unfair and not bipartisan about the way the place is being run is that an idea supported by most Ameri-

cans, an idea with over 300 cosponsors to repeal section 89 and save the group health insurance of working Americans, that idea could not come to the floor, an idea which has never had hearings, which has never been examined by experts, which has been written up by a couple leftwing Democrats, that idea can get to the floor the same week without going through the subcommittee, without going to the full committee, and that can get a vote. That is not fair and it is not bipartisan.

Mr. FROST. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. I am happy to yield to the gentleman from Texas.

Mr. FROST. Mr. Speaker, I have not had the opportunity to have a dialog with my friend, the gentleman from Georgia, for quite awhile. I looked forward to this opportunity. The gentleman has been absent from the floor. I assume he has been very busy in his duties as whip, but the gentleman is now back in special orders so it gives us an opportunity to have a discussion.

It is interesting, the gentleman and I voted the same way yesterday on the amendment transferring the money from star wars to the fight on drugs.

Having said that, though, I feel that the amendment was appropriate for consideration of this House, even though I personally did not vote for the amendment, and let me tell the gentleman why.

The past two administrations, the Reagan administration and now the Bush administration, have consistently underfunded the war on drugs, the single most important problem facing this Nation. Neither the Reagan administration nor the Bush administration has sought the full amount of funding authorized by this Congress when we passed the antidrug legislation in 1988.

There is a great deal of frustration in this country that we do not devote the amount of resources, that Congress and the administration do not devote the amount of resources to this problem that it needs.

Now, my personal preference would have been to vote on this at another time in another context, but I am telling the gentleman that the frustration is there in the country. The Republicans' refusal to fund the war on drugs adequately is a problem that must be addressed.

The other party fought this in the appropriations process. We are not willing to devote the full amount of money to the war on drugs that Congress has authorized. The administration did not seek that funding, so that it is understandable there would be a vote on the floor of the House yesterday on that issue.

Now, as far as other matters on section 89, that is a very complicated

technical matter, as the gentleman realizes.

Mr. GINGRICH. Let me take back my time. Let me stay on the war on drugs issue. The gentleman raised a point. We need to explore it at two levels.

First of all, let me talk briefly about underfunding the war on drugs. During the 1988 Presidential campaign, both Mr. Dukakis and Mr. Jackson made a great deal out of the fact that there had been a \$100-million cut in the Coast Guard, that that \$100-million cut in the Coast Guard in fact was weakening the war on drugs. It turned out, as the Secretary of Transportation proved convincingly, Jane Burnley, who sent a telegram to both Mr. Dukakis and to Mr. Jackson, and we discussed it here on the floor of the House, it turned out that the \$100 million that was cut in the Coast Guard was cut by liberal Democrats on the House Appropriations Committee to finance domestic programs that their union allies wanted financed.

Mr. FROST. Mr. Speaker, if the gentleman will yield further, this gentleman realizes and knows that the request by the Bush administration at the beginning of this year was significantly less than the amount authorized, not even remotely close to the amount authorized by Congress last year.

Mr. GINGRICH. Let me ask the gentleman a question. I gave the gentleman a specific example. We had two Presidential candidates who were claiming that the Coast Guard had been cut by President Reagan and Vice President Bush, when in fact it is not true that cut occurred in the Appropriations Committee, controlled by House Democrats, and that cut was specifically done by the Democrats in order to transfer money to mass transit?

Mr. FROST. We are talking about \$1½ billion, more than \$1½ billion in underfunding for the war on drugs because this administration would not seek the full amount authorized by Congress last year, \$1.7 billion that they did not seek from this Congress.

Mr. GINGRICH. Just a second. The question does not dispute, though, the fact that when the President did ask for money for the Coast Guard, it was the House Democrats, the liberal Democrats, who cut the \$100 million; the gentleman does not dispute that as a fact?

Mr. FROST. I do not know the facts of that. I do not know the facts that the gentleman has presented. I am not going to dispute them because I do not have the facts in front of me.

I do know the fact that this administration has refused to seek the money that we authorized.

Mr. GINGRICH. Let me make the second point. Most politicians will tell

you they want to get to a balanced budget. They are worried about deficit spending. We said again and again that we were willing to accept the \$820 million if the liberal Democrats would tell us what they were going to offset.

Mr. FROST. Then why did the gentleman vote for the Conte amendment?

Mr. GINGRICH. I just said, if the Democrats would tell us how we are going to pay for it. We are also willing to accept more money, but the Democratic leadership made a commitment to the President that they would accept a bipartisan budget agreement. The agreement would have a certain amount in a box called defense and a certain amount in a box called domestic spending.

What yesterday's bill offered to do was to break that agreement by taking money out of defense and putting the money into domestic spending. Now, it was a clear violation of the agreement made by the Democratic leadership with the President of the United States.

Mr. FROST. Even though everyone agrees that we need to spend more money on the war on drugs, no one disputes that, and yet you all are not willing to vote for it.

Mr. GINGRICH. No. I am saying there is \$140 billion in a box called domestic spending, \$140 billion. We can find the money to fight the war on drugs inside the box called domestic spending.

Mr. DORGAN of North Dakota. Mr. Speaker, will the gentleman yield to me?

Mr. GINGRICH. I am glad to yield to the gentleman from North Dakota.

Mr. DORGAN of North Dakota. Mr. Speaker, I cannot help but tell the gentleman I was watching him and the gentleman piqued my interest again. I felt I had to come over and ask the gentleman a couple questions.

Let me just say parenthetically that I did notice yesterday that the gentleman voted in essence to increase or countenance an increase of 25 percent in SDI, which seems to me like throwing money at something and against a proposal to take that money and use it to fight drugs.

□ 1120

I think that is something we can talk about, but most specifically I noticed that the gentleman started again today, as my friend usually does, by talking about the big-spending deficit liberal Democrats. That is not an exact quote, but it is close enough.

Mr. GINGRICH. We will stipulate to that fact.

Mr. DORGAN of North Dakota. Let me ask the gentleman a question. He was here the same year as I was here when Ronald Reagan was President, and he sent to us a budget. Does my friend from Georgia know, if we added

those eight budgets up, does he know how much in deficits President Reagan requested? Does my friend from Georgia know how many deficits or how many deficit dollars were requested by this President in eight budgets that he sent to Congress?

Mr. GINGRICH. I am not sure of the number.

Mr. DORGAN of North Dakota. May I help the gentleman out?

Mr. GINGRICH. Sure; I will be glad to have you to.

Mr. DORGAN of North Dakota. President Reagan, one of the most conservative Presidents in this century, submitted eight budgets to Congress, and if we add up his eight budgets, the bottom line, lay them here on the table, add them up, the bottom line is he asked Congress for deficits of \$1.1 trillion. Question: If a President asks for \$1.1 trillion in deficits in 8 years, is that a liberal?

Mr. GINGRICH. I think in the context of having had the Democrats control the House for 35 years, it was probably the best he thought he could get.

Mr. DORGAN of North Dakota. So the answer is he is not a liberal?

Mr. GINGRICH. I think Reagan consistently compromised with the Democrats in the House because he was faced with the reality of what their committee chairmen and their committees do.

Mr. DORGAN of North Dakota. Well, the reason I asked the question is I believe you have developed a standard by which you say over time the Democrats want to spend money they do not have on programs we do not need.

Mr. GINGRICH. The gentleman just proved that yesterday. He just proved that yesterday.

Mr. DORGAN of North Dakota. No; no.

Mr. GINGRICH. They were willing to spend \$821 million, and they would not tell anyone how they were willing to pay for it.

Mr. DORGAN of North Dakota. No; no. The \$821 million was an increase, a proposed increase, in star wars proposed by the President.

Mr. GINGRICH. I am talking about the original supplemental.

Mr. DORGAN of North Dakota. Let me just finish my thought if the gentleman does not mind about the deficits, because I think it is fascinating, and I think it takes a certain amount of persistence for the gentleman to come to the well of the House and look our direction and talk about deficits with any credibility, especially coming from a party whose President proposed more deficits in his eight budgets than all the deficits racked up and proposed by all of the Presidents from George Washington to Jimmy Carter. And the gentleman thinks that the fellow who proposed that is a con-

servative and looks at us and says that we are liberals. I do not understand the standard any more. It seems to me that if we Democrats had had a President who proposed \$1.1 trillion in deficits, the gentleman would be in the well trying to impeach him, but because President Reagan proposed \$1.1 trillion in deficits, the gentleman suggests that everything is just fine.

Mr. GINGRICH. The gentleman realizes that the Democrats have held the House since 1954, and that every committee has a Democratic chairman, that every subcommittee has a Democratic chairman, and that the Democrats are committed to a big-spending, credit-card mentality, and I think it is amazing that Reagan got away with as little deficit as he did.

Mr. GEKAS. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. I am happy to yield to the gentleman from Pennsylvania.

Mr. GEKAS. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, that is exactly what I was going to say.

Before I get to the meat of my colloquy with the gentleman from Georgia, that is that that same President who unfortunately had to propose budgets that carried with them deficits was the one faced with the most enormously devastating economic downturn that we have seen in a long time from which he, with his leadership, was able to extricate the entire country and put us on a road of economic recovery albeit having to face these monstrous deficits. How they got to that point, where the economic downturn occurred, is another reason that the blame can be placed on the then leadership before Reagan even came onto the scene, but beyond that, I want to get to section 89 for just a moment.

Mr. DORGAN of North Dakota. If the gentleman will yield, section 89 is important.

Mr. GINGRICH. The gentleman came over specifically for this.

Mr. GEKAS. And I do not want to run out of time. I will even take a special order Wednesday, and the gentleman and I can debate this.

Mr. DORGAN of North Dakota. I would be glad to extend the gentleman's time if we can continue discussing deficits and President Reagan.

Mr. GINGRICH. Let us talk first about section 89. I think section 89 is an example of how the liberal Democratic leadership refuses to bring things to the floor.

The gentleman can go ahead.

Mr. GEKAS. The gentleman from Georgia from time to time has been criticized for bringing matters of hot debate to the floor during special orders, because it is said that nobody is here to listen, but the result that



the gentleman has gotten here today and sparking this minidebate shows the efficacy and the necessity of bringing matters to special orders even if no one attends, because the people at home are attending, and they are listening to these things. It is very important. I commend the gentleman from Georgia for continuing to do so.

On section 89 now, it was a mammoth effort that we propounded yesterday. The Committee on Rules, the majority playing favorites, allowed an amendment that never was before a committee, never before a subcommittee, never heard by or never even conceived of by any Member of the House except those authors who finally brought it to the floor, never had any kind of basis in fiscal balancing, never had any check with the Pentagon, never had any kind of authorization other than the whim of the individuals who brought it to the floor, and contrary to that, we go before the Committee on Rules on section 89, which is a poison to our economic recovery, which costs jobs, which costs our industrialists the ability to do business, which costs investment, which causes tremendous burdens to our businessmen, which had 304 sponsors on a bill which had been before the Committee on Ways and Means in different ways, and they chose, the majority of the Committee on Rules, to smack us down as if we were vermin in bringing up such a proposition to the Committee on Rules.

I want to make an additional point, and we are not going to quit here on section 89. I am going to, with the help of others, now file a discharge petition on the LaFalce bill and ask the 304 people to step forward who were cosponsors of the bill to repeal, so that we can use another mechanism by which this most needed proposition can come to the floor for debate. I will inform the gentleman from Georgia that the battle is not over.

Mr. GINGRICH. Let me just for one moment commend the gentleman from Pennsylvania for his leadership. I would remind people that we are talking about a situation where in one day the Democrats in the Committee on Rules approved a bill for the left-wing Democrats to bring to the floor which had never been heard by anyone, which had never been to a committee or subcommittee, and rejected a bill to repeal section 89 to save the health insurance and the group insurance of working Americans even though it had 304 cosponsors.

Mr. MOODY. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. I am happy to yield to the gentleman from Wisconsin.

Mr. MOODY. Mr. Speaker, I think the gentleman knows that the gentleman from North Dakota [Mr. DORGAN] and I are both on the committee that

has section 89 repeal before it, the Committee on Ways and Means, and I personally favor repeal of section 89, because I think it is too complex current law, and I think we all know that it came out of Treasury which was produced by the Treasury, not by this House. We should have probably written it differently, but we let it go through the way it was.

Mr. Speaker, I think that the gentleman is incorrect, though, the gentleman in the well, when he states that we have had hearings on section 89. We have not. We have not had hearings. If the gentleman would have asked us to bring to the floor something that has not yet had hearings, in that sense, the two are equivalent.

Mr. GEKAS. Let me respond to that. I did not imply that there were hearings on section 89.

Mr. MOODY. The gentleman in the well did. He was on the monitor, and he said, before I came over here, that there were hearings.

Mr. GINGRICH. My understanding is that there have been no hearings in which people talked about the loss that it caused.

Mr. MOODY. There have been no hearings on section 89.

Mr. GEKAS. There have been in the Senate. There have been in the Senate of the United States.

Mr. MOODY. This is the House of Representatives.

Mr. GEKAS. I know that.

Mr. GINGRICH. There have been no hearings anywhere in the world on the left-wing bill, and there have been hearings in the Senate on section 89.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. I am happy to yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, that is the interesting point, that the gentleman from Wisconsin is telling us that he voted yesterday against the previous question even though he is a cosponsor of the bill, and he thinks we ought to do something about this, because there were no hearings held on section 89.

Mr. MOODY. I am not a cosponsor.

Mr. GINGRICH. He is not a cosponsor.

Mr. MOODY. I am not a cosponsor.

Mr. WALKER. He is not a cosponsor. I am sorry; I am sorry.

Mr. GINGRICH. So that is 304 plus 1.

Mr. WALKER. So it is 305 really if we look at the repeal question, so he favors the repeal, but yesterday he voted against it because there have been no hearings. I understand that.

Mr. MOODY. No, that is not why I voted against it. I voted against it because we will have action on section 89. The committee is committed to doing it, and we will do it.

Mr. WALKER. If the gentleman will yield further to me, that is very interesting, because he says action on section 89; our understanding on our side is that the action may well be to try to revise and reform section 89, not to repeal section 89. That is a totally different thing than what we wanted to do out here, which is repeal section 89. The point that I want to make is that yesterday we had a bill before us, brought to us by rule, that had never had any hearings, had not even been referred to a committee and did not have anything. It was just though up. It was a bumper sticker that was made into a law, that was made a bill, and brought to the House floor.

□ 1130

And yet we cannot consider some things because they have not had hearings. On the other hand we consider other things that are being written almost as they are taken to the Rules Committee. I would suggest that that is exactly the pattern that causes many of us a problem and what the gentleman from Georgia is discussing.

I thank the gentleman for yielding.

Mr. GINGRICH. I yield to the gentleman from North Dakota.

Mr. DORGAN of North Dakota. I am still trying to understand all this. I may be a little slower. But President Reagan came to town, offered us eight budgets, asked for \$1.1 trillion in deficit, and then the gentleman who represents his party stands in the well and says the deficit comes from the Democrats; that is, this side of the aisle.

I do not understand that rationale. But let me just go to yesterday's vote because the gentleman from Georgia is talking about yesterday's vote, along with the gentleman from Philadelphia—Pennsylvania, rather.

Mr. WALKER. There is a big difference.

Mr. DORGAN of North Dakota. Well, it is a difference I do not understand either.

But let me observe this about yesterday's vote. Yesterday some of us on this floor decided to do something that we thought was good budgeting, good fiscal policy and good public policy for this country.

The President says no amount of money is too much for star wars. You know the attitude, "As long as it explodes, let's buy it, as long as it is defense, let's build it."

Mr. GINGRICH. Does the gentleman honestly believe that line?

Mr. DORGAN of North Dakota. I can point to a proposed 25-percent increase, a 25-percent increase in star wars.

Mr. GINGRICH. Let me reclaim my time. Does the gentleman honestly believe that George Bush buys anything

as long as it explodes? That is the gentleman's term.

Mr. DORGAN of North Dakota. Well, let me ask the gentleman this question: In the 1980's which weapons programs have we decided not to build? Can the gentleman give me a couple of examples?

Mr. GINGRICH. Does the gentleman honestly believe—

Mr. DORGAN of North Dakota. Can the gentleman give me a couple of examples?

Mr. GINGRICH. In fact, I will be interested to see how the gentleman votes this year. In fact, Secretary Cheney has just suggested ending the purchase of the F-14, he has suggested canceling the V-22.

Mr. DORGAN of North Dakota. That is because of us, I say to my friend, the budget restraints imposed by us.

Mr. GINGRICH. No. Because the President made an agreement which he thought the Democrats would keep to set ceilings on both defense and domestic.

But let me answer the question of the gentleman because they happened to find this piece of data for me that the gentleman may want to comment on.

Since President Reagan sent over his too-big deficit, by the gentleman's standards, it might interest the gentleman to know that the Congress appropriated \$89 billion more than Reagan requested during the Reagan years even though it spent 5.3 percent less than he asked for defense, 2 percent less than he asked for Medicare, and 1.3 percent less than he asked for social security.

Mr. DORGAN of North Dakota. Would the gentleman give us the source of that information?

Mr. MOODY. That is not true.

Mr. GINGRICH. Which part is not true?

Mr. MOODY. We have consistently voted smaller deficits than the White House asked for.

Mr. WALKER. That is not true.

Mr. GINGRICH. This is taken directly from a Congressional Budget Office document.

I yield to the gentleman from Pennsylvania, and then I will come back on the other side.

Mr. GEKAS. Mr. Speaker, I remember very well when in the Reagan years I began talking with Alice Rivlin, who was then wrestling in her capacity as fiscal adviser, actuary with the Congressional Budget Office, I believe, as to which was better, a new tax cut to spur the economy or new taxes to try to balance the budget. And it was a toss-up. But this Congress and the American people chose to weather it out without a tax imposition, with tax cuts to spur the economy and the economic recovery that occurred, unfortunately with the advent of these

deficits, was a policy decision that the American people made through the Congress to bring about economic recovery. And it worked. Unfortunately, we have now to deal and continue to deal with these deficits. But it was a proper decision made by that President and by the American people through the Congress.

Mr. GINGRICH. Let me report one thing first: Just for the record, on section 89 the Committee on Ways and Means held 2 days of hearings on section 89 on May 2 and 3, the Small Business Committee held hearings on section 89 on January 24 and 25. There have been 4 days of hearings in the House. The bill has 304 cosponsors plus one gentleman from Wisconsin who leans toward it, and yet we were not given permission to bring to the floor the repeal of section 89 which in fact had had 4 days of hearings and has 304 cosponsors. But we were allowed to bring to the floor a leftwing bill which had never had hearings and which I do not know how many cosponsors it had but it would be interesting to see.

Mr. DORGAN of North Dakota. If the gentleman would continue to yield to me just to let me finish my thought, I find it interesting that the gentleman called the proposal yesterday "leftwing." I want to try to understand again where the gentleman gets these kinds of terms.

Mr. GINGRICH. Looking at the sponsors, first of all.

Mr. DORGAN of North Dakota. Yesterday's proposal was very clear. The proposal was: Let us take the proposed increase, not the base money for star wars but the proposed increase for star wars, over \$800 million, and use it instead for the drug wars.

Mr. MOODY. And that is leftwing?

Mr. DORGAN of North Dakota. All of us understand there are people held prisoners in their houses blocks from here because they are living in a "combat zone." We do not have enough money to fight the drug wars, to fight addiction, interdiction, fight the addiction that people have, to provide the massive education that is necessary, we do not have the money. So the proposal yesterday was kind of—

Mr. GINGRICH. What is it that I just heard the gentleman start talking about, the great new welfare program using drugs as the excuse? Is that what I am hearing the gentleman talk about?

Mr. DORGAN of North Dakota. Does the gentleman think that fighting drugs is a welfare program?

Mr. GINGRICH. No, no. I think the way the leftwing Democrats try to deal with drugs there is going to be a massive new bureaucracy and massive new welfare system, a massive new effort to try to talk and make sure we have enough counselors so that any

drug dealer who feels bad has somebody to talk to.

I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

Mr. Speaker, what I am reminded of is an editorial cartoon a while back that shows this guy standing along the side of the road with a flat tire and he is trying to solve the problem by throwing money at it.

So that reminds me how leftwing Democrats want to solve the drug problem.

Mr. MOODY. Mr. Speaker, will the gentleman yield on that point?

Mr. GINGRICH. Let me reclaim my time and then I will come back.

I yield to the gentleman from Pennsylvania.

Mr. WALKER. Let me say to the gentleman the reason why some of us regard the bill that was before us yesterday as a left wing is because it did not suggest we ought to take the money out of obsolete military bases and some things like that. It suggested we ought to take the money in a Luddite fashion out of the high-technology program of the Department of Defense, the same kind of Luddite attitude that caused us to cut the research and development money to the budget just a couple of weeks ago, manifested itself on the floor again with the same Luddites coming out here and telling us we ought not to invest in high technology and defense either and that what we ought to do is to rip the money out of that program, destroy the programs of the future in order to do, I guess, subsidies, continued subsidies of waste, fraud, and abuse in the Defense Department.

I thought that was a very, very interesting point to be made in their decision.

Mr. GINGRICH. I yield to the gentleman from Wisconsin.

Mr. MOODY. The gentleman from Wisconsin just used the words "waste, fraud, and abuse" to refer to the drug program.

Mr. WALKER. No, no, no, I did not. I referred to the defense program. The gentlemen did not take the money out of the waste, fraud, and abuse in the defense program, but they took it out of high technology in order to put it in the drug wars.

Mr. MOODY. I stand corrected. We would have taken it out of star wars.

In my opinion, and the gentleman talked earlier about throwing money—a cartoon about throwing money at a flat tire, in my community there is over a year wait for people who are addicted, addicts who want to get off drugs, who are trying desperately to get off drugs, a year wait. That is a very bad thing in this society. It is not waste to reduce that to 6 months or 1 month which we should do in this soci-



ety. People are ready to get off drugs, plan to get off drugs, and to have them wait 12 or 14 months as is now the case is not good public policy.

Mr. GINGRICH. Let me just say that this is going to be a major debate.

Mr. MOODY. We are not throwing money, we are not creating, as the gentleman in the well said, a whole new bureaucracy. We are doing things that we are already tuned up to do except that we are not adequately funded.

Mr. GINGRICH. Let me say something on that: This is going to be a major debate in the next 3 or 4 years. I have watched liberal Democrats throw money at the war on poverty and lose; I have watched liberal Democrats throw enormous amounts of money at big-city education and lose; I have watched liberal Democrats throw money at public housing and lose.

I think if we were to approach this from another liberal welfare state bias and build another huge bureaucratic Washington-focused machine, we would lose. I favor much tougher penalties, I favor an approach that emphasizes using, frankly, the police, using prosecutors, using prisons. The conservative approach is much different.

I will be glad to yield to the gentleman from Colorado.

Mrs. SCHROEDER. I want to say that I think this whole debate proves why this body desperately needs a break. And I would hope that the Members would go home and rest.

I think anybody trying to make any sense out of this would just see that we are acting like children.

I could stand here and say I have seen the conservative wing throw money at the military so that even the gentleman from Pennsylvania is talking about the waste, fraud, and abuse that is over there. So I do not think that anybody is gaining anything by this debate.

I am also troubled by it because as I listened to it, I hear the gentleman's side saying you do not like the idea that the supplemental had all sorts of things added to it but then he wants to defeat the rule and add something else to it. None of this really adds up. I think maybe people are just tired and it is time to turn off the bickering and try to figure out how we really do solve the drug wars.

□ 1140

How we get waste and fraud out of the defense bill, how we close down bases that are wasteful, but overseas the administration will not let Members look at overseas bases. That is a third of them. They refuse to even release the records of those bases.

I would hope the other side would help Members get them to disclose those because there are all sorts of

things we should be working together on.

Mr. GINGRICH. Let me say to the gentlewoman who was not here when I began, but when I was elected whip I said, "I am in favor of honest, clear bipartisanship." A reason I took this special order was to say to your side if Members insist on bringing a rule to the floor that only makes in order, a bill written by the leftwing of the Democratic Party, and not willing to let something like the repeal of section 89. In other words, if there is not a sense of fairness, that in addition to the main business of the House, if we are going to allow your leftwing to get something, we ought to allow the Republicans to make something in order.

Mrs. SCHROEDER. If the gentleman will yield further, this week your party has been giving many 1 minutes, talking about the Senate. I would agree with them about the Senate, who has the propensity to add everything to everything when they see a train moving. So that is why I see a lot of inconsistency in your argument. If the gentleman is going to say, "Well, the Democrats are doing something else," we have to stop having tantrums.

Mr. GINGRICH. Let me reclaim my time and say to the gentlewoman, when your leadership decided to make in order the AuCoin-Miller amendment, it seemed to me only fair that we be allowed to make in order one thing on our side of the aisle.

If we are going to have true bipartisanship, I am not saying we have to participate, we are the minority, but we ought to get a clean vote and we picked a topic with which we had three or four cosponsors of repealed section 89, a topic we have been told today had 4 days of hearings. We said, basically, we will make a deal, want to run this place without tantrums, want to run this place in a bipartisan way, give the Republicans a vote on what they want to bring the Members.

Mrs. SCHROEDER. If the gentleman will yield, the gentleman knows that there is no Member that is going to stop that bill. The hearings have been held. No Member is trying to keep them from coming to the floor.

Mr. GINGRICH. Of course they are.

Mrs. SCHROEDER. What in the world is the big fight about?

Mr. GINGRICH. I say to the gentlewoman from Colorado that she knows if the bill was repealed yesterday the key members of the Committee on Ways and Means would have been apoplectic, for them to have a repeal brought to the floor in a clean way without any member in Committee on Ways and Means getting anything done, that would shock them.

Mrs. SCHROEDER. If the gentleman would yield again, if the Miller amendment had passed, the Defense Department would be apoplectic be-

cause the sacred cow has been SDI where we could not spend it fast enough. Even George Bush has been realistic enough to know he ought to trim it back, and there are some who think he could trim it back to last year's level and not hurt the program.

That is what the debate is about and it is hard to run the Committee on Armed Services on that issue.

Mr. GINGRICH. The only point I was making, and then I will yield to the gentleman from North Dakota, the only point I was making is if your leadership wants honest, fair bipartisanship, we would like to work out a system when making something in order for your leftwing, we get something in order for the Republican Party, for the conservative wing, and we would be willing to find things like repeal of section 89.

Mrs. SCHROEDER. If the gentleman will yield further, I would like to see both wings represented, is how we get to the center.

Mr. DORGAN of North Dakota. If the gentleman will yield, let me say that I do not agree with the gentleman from Colorado that this is not productive. This is politics, unfortunately, the good, bad, and ugly in politics.

But let me say to the gentleman from Georgia that I think this serves the search for good public policy is when you start everything by suggesting it comes from the left or the liberals or the welfare state folks. Let me say that the gentleman said a little while ago, that the reason the proposal on the floor yesterday, the star wars for drug wars was left, is because it was offered by some folks from the left of our party. That is what the gentleman said.

Now, if the gentleman is going to take a look at proposals on this floor and taking them based on who makes them instead of the merits of the proposals, I do not think we get anywhere. I happen to think that if this Congress can work its will and get the best of what both have to offer, rather than the worst of what each has to offer, which is often what we end up with, then we can offer and come up with public policy that makes sense. But it does not serve good policy to start every conversation with the notion that every problem confronting America started with Jimmy Carter and has been perpetuated by the left ever since.

Mr. GINGRICH. Let me say I think I withdraw my earlier comment which I mean half in jest. Only half.

Mr. DORGAN of North Dakota. If the gentleman will yield, does the gentleman from Georgia withdraw a quarter?

Mr. GINGRICH. I withdraw half.

I want to go back and say look, we have on our side of the aisle, 175 Mem-

bers. We are the minority. We have 175 minority Members. We are very willing to work in a bipartisan fashion if it is fair.

The major point I wanted to make today was that we had a rule brought up yesterday which was clearly unfair to the 100 million people in the Republican congressional districts, and which made in order something, I will not use what seems to be pejorative phrases, clearly favored by activist Democrats, but the leadership, the leadership of the Democratic Party, could not find it in its heart to make in order an amendment or a bill which has 304 cosponsors.

All I am saying to the other side is if Members want to talk about bipartisanship, I am ready to be bipartisan, but there has to be a fair procedure by which we are allowed to pick things, and frankly, we will pick things which represent the blood value of our party, asking for a balanced budget constitutional amendment. We will probably ask to make in order, as I said earlier, I think something on the catastrophic health insurance which we have citizens all over the country asking, and ask to repeal section 89, probably ask to make in order test provisions; we would like to have omnibus drug opportunity where Members can bring up various specified spending programs; and we will talk about death penalty, we will talk about mandatory sentencing; exclusionary rules; we will offer our part of that package.

Between the two sides, with a fair procedure, we might, in fact, get to some very interesting results. What I object to is being told we really ought to be bipartisan, but we will get run over by the steamroller and a procedural steamroller.

Mr. Speaker, I yield to the gentleman from Wisconsin.

Mr. MOODY. Mr. Speaker, I did not come over here to fight about section 89. I came over here because I was clearly deeply offended by the gentleman's use of the term "leftwing Democrat."

Mr. GINGRICH. Why?

Mr. MOODY. Because people who supported that appropriation ranged across the spectrum of the Democratic Party. The gentleman from Texas [Mr. STENHOLM] took to the floor to speak for it, the gentleman from Florida [Mr. BENNETT] took to the floor to speak of it. The gentleman cannot lump people like that and expect comity and expect cooperation.

Mr. GINGRICH. People on your side talk about rightwing Republicans and conservative Republicans, and in this country, historically, both terms are used far more often.

Mr. MOODY. If the gentleman will yield further, if I can finish my statement. I never stand on the floor and call proposals that have come from the reactionary Republicans, which is

sort of the comparable term on the other side. I hope none of the three Members here use that term. Yet the gentleman uses the leftwing Democrats practically every other word, like "Damn Yankee," almost a total word for the gentleman now. That does not exactly promote cooperation on this House.

I think most Members like to work with the gentleman from Georgia on real substance. I certainly would.

Mr. GINGRICH. I am willing to be far more bipartisan in my language if the other side of the aisle is willing to be bipartisan in their procedure.

Mr. DORGAN of North Dakota. When?

Mr. GINGRICH. Next week.

Mr. MOODY. The gentleman makes a cardinal error, judging a proposal on who submits it. Do not engage in the homonyms.

Let me say finally on section 89, make the record clear, and I am now addressing the gentleman from Pennsylvania, we never had a hearing on the repeal of 89. We had a hearing on the Rostenkowski bill to totally rewrite 89, but it was not on the docket. Maybe it should have been. But let Members get the record straight.

Mr. GINGRICH. If the gentleman will yield, and the gentleman from Illinois [Mr. ROSTENKOWSKI] does not want to repeal, and Members have had hearings on why section 89 is not working.

Mr. MOODY. The gentleman from New York [Mr. LAFALCE] has not been heard. Maybe he should be.

I came here because I was offended by the nomenclature.

Mr. GINGRICH. If the gentleman will yield further, first on left wing. First, intellectually, a proposals which significantly cuts defense and transfer the money.

Mr. DORGAN of North Dakota. That proposal did not cut defense. Would the gentleman admit, if implemented, it would have frozen star wars at last year's level?

Mr. GINGRICH. If the gentleman will yield further, only one of two consequences. Either we did not pass any money above the limit, in which case there was no money transferred to drugs, where we passed money above the limit, in which case money was taken out of the defense account and transferred to a domestic account.

□ 1150

Now, it can only have had one of those two effects. So you are either arguing that it was a very clever and sly technique for capping star wars that would have had no effect on the drug fight or you are arguing that you really thought they would go ahead and appropriate more for defense, in which case we would take it out of the defense account. Those are the only

two ways you can argue that. There is no other way to argue it.

Mr. DORGAN of North Dakota. Mr. Speaker, if the gentleman will yield just momentarily, the gentleman would agree with me, would he not, that the proposal was to cap star wars at this year's spending level?

Mr. GINGRICH. Sure.

Mr. DORGAN of North Dakota. Which would have effectively frozen it?

Mr. GINGRICH. Right.

Mr. DORGAN of North Dakota. The proposal in the budget was to increase it by over \$800 million. Instead of increasing it by over \$800 million, our amendment would have frozen it?

Mr. GINGRICH. Right.

Mr. DORGAN of North Dakota. The gentleman says it is a cut. I am saying that a freeze is not a cut.

Mr. GINGRICH. All I am saying is, I would ask, how are you going to get more money for drugs out of that amendment as the gentleman just described?

Mr. DORGAN of North Dakota. But it was not a cut. The gentleman says it was a cut.

Mr. GINGRICH. I just want to know this: You said it would have cut next year's defense spending to get the money transferred to the drugs.

Mr. DORGAN of North Dakota. No. We would not have allowed an increase in the proposed star wars funding.

Mr. GINGRICH. So could Cheney have taken that increase and spent it, say, on the B22?

Mr. DORGAN of North Dakota. No. Mr. GINGRICH. Where would it have gone?

Mr. DORGAN of North Dakota. The gentleman does not apparently understand what I am saying. We are responding to the notion that the gentleman argues that we came in yesterday proposing to cut, and I am saying—

Mr. GINGRICH. Mr. Speaker, let me erase this and back up. Let me ask, how are you going to get more into the war on drugs?

Mr. DORGAN of North Dakota. We would have the \$800-some million that was proposed as an increase for star wars and instead move it into an account to provide for the war on drugs.

Mr. GINGRICH. As you envision this bill, which never had a hearing, when you did that, was it your vision that that would have been counted against the domestic allocation in the budget, so Cheney would have had an additional \$800 million to spend on something else in defense?

Mr. DORGAN of North Dakota. No.

Mr. GINGRICH. So it would have in effect transferred the \$800 million from the defense account to the domestic account?



Mr. DORGAN of North Dakota. What that would have in fact done is prevented an increase of \$800 million in star wars and freeze star wars where it was.

Mr. GINGRICH. And would the money, in the gentleman's judgment, have ended up in drugs or just not have been spent on star wars?

Mr. DORGAN of North Dakota. It would have ended up in drugs.

Mr. GINGRICH. That is what I just said.

Mr. DORGAN of North Dakota. You are dancing on the head of a pin. The gentleman understands what I am saying. I do not want him to say that what we tried to do yesterday was to cut defense, because what I am suggesting is that we not increase star wars.

Mr. GINGRICH. Let me use a different term, and the gentleman can tell me if this is not technically right. Under the bipartisan budget agreement, for the total number of dollars to be spent on defense next year, the bill yesterday would have transferred \$800 million, assuming that had passed, out of that account into the account on drugs?

Mr. DORGAN of North Dakota. Right.

Mr. GINGRICH. So that is right?

Mr. DORGAN of North Dakota. Except that I am the wrong Member to ask. I did not support the bipartisan agreement. I would not have voted for it. I thought it was wrong.

Mr. GINGRICH. I understand. All I said earlier was that Members on the gentleman's side stood at the White House and supported that agreement and voted for that bill.

Mr. DORGAN of North Dakota. They stood with you. I saw you there. It is something I would not have voted for.

Mr. GINGRICH. That is right. They voted for it, and now that is the agreement.

This is the second point I want to make: I want to repeat what I said earlier. I am very willing to talk about a linguistic disarmament pact if you will cooperate. I am very willing to back down on my language, but I am not willing to say that we cannot be clear or we cannot be tough on our side while your side runs over to the bulldozer. If the gentleman's side wants to offer a procedure where we get one-third of the rules opportunities or we get some kind of a reasonable chance to have a procedural input, I would be willing to back off on partisanship, but there is no advantage to Republicans to be muscled every day and then to be put into a position where we also should not be allowed to talk about it.

Mr. STEARNS. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. I am happy to yield to the gentleman from Florida, who has been very patient.

Mr. STEARNS. Mr. Speaker, I thank the distinguished gentleman from Georgia for yielding.

I was in my office, and I heard this debate and thought I would just come down and listen to it. As a freshman, I just wanted to ask a question that became apparent to me. When I became a Member, I became a member of the Veterans' Affairs Committee and the Banking Committee. The Banking Committee, of course, is involved in the major legislation with the S&L package. When I went to the Veterans' Affairs Committee, I noticed there was no proxy voting; that is, everyone had to be there for both parties for the votes to show up.

Then when I went to the Banking Committee, I noticed that was not true. I am a little concerned why, since you control the House, we have a different procedure for the Veterans' Affairs Committee than we do for the Banking Committee. We went to great lengths in fact, to draft an amendment that we present to the chairman of the Banking Committee that went forward on party lines, that we would continue to allow proxy voting, so that if your Members did not show up, you could still count all votes there, even those given by the chairman.

So when I heard this discussion about the powers in the House that you have, that is the question I have for you, why the Veterans' Affairs Committee is different from the Banking Committee.

Mr. DORGAN of North Dakota. Mr. Speaker, if the gentleman will yield, I cannot answer that. Those are rules established by the committees, as the gentleman knows. If you have difficulties with the committee, I assume since you are working with the committee, you can deal with them.

Mr. Speaker, let me go on to observe one thing more, if I might. The gentleman from Pennsylvania [Mr. GEKAS] is on the floor. I remember when we dealt with the drug bill maybe 2 years ago that we went through all the amendments, I mean on everything, the death penalty, the exclusionary rule, you name it. We have been through all the issues we talked about, I say to the gentleman from Georgia [Mr. GINGRICH], and I think we have a very full discussion. I do not remember whether it was last year or the year before when we had the drug bill, but we had a wide open rule and a lot of good amendments by both sides of the aisle. We fully discussed virtually everything we could discuss in that area, and I do not think it is a proper suggestion to believe that you can be locked out of the process.

Mr. GEKAS. Mr. Speaker, if the gentleman will yield to me, I would say that the gentleman from North Dakota is correct. We debated every one of those issues after sweating blood to get it to the floor. We debated

these matters, but the majority in the relevant committees smacked us down. Then we looked for parliamentary devices by which we could get the matters heard on the floor. If it were not for JIM WRIGHT and Tip O'Neill and others making an arrangement with our minority leader, BOB MICHEL, who insisted that the death penalty be a part of the overall drug package, we would never have gotten it to the floor. It was an accommodation not borne out of the rightness of the issue but rather of the political accommodation that had to be made for a major comprehensive drug bill. We have never gotten a real full hearing on the death penalty, the exclusionary rule, and habeas corpus, and all of those, let alone a full vote.

Mr. GINGRICH. Mr. Speaker, let me give two simple examples where we could easily have bipartisanship. If the Democratic side were to say that in the next few weeks they would allow a Democrat—we do not need the credit—to bring the repeal of section 89 to the floor for a clean up-or-down vote, when we got back to fighting over the old-fashioned, obsolete minimum wage idea, and they were also willing to put Mr. PETRI's living wage, the earned income tax credit in order so we could have a clean choice, I think the Republicans could find opportunities to match up our ideas with Democratic ideas and get to a posture that was far more bipartisan, and the House would be much less acrimonious and there would be much less partisanship.

Mr. DORGAN of North Dakota. Mr. Speaker, let me also say, if I might, that the House will be less partisan when all of us stop behaving that way. The only reason I came over here today is that almost every day, when the gentleman takes the floor, the first thing out of his mouth is that all of America's problems are caused by the left, the Socialist, welfare-state Democrats. I just want to tell the gentleman that I reject that kind of language.

Mr. GINGRICH. Mr. Speaker, let me just say to the gentleman that if he would get us a couple of fair rules and give us some fair procedures, then our language may tone down some, but as long as the Democrats operate like a machine, our language is likely to remain fairly strong.

The SPEAKER pro tempore (Mr. KANJORSKI). The time of the gentleman from Georgia [Mr. GINGRICH] has expired.

#### A PLEA FOR BIPARTISANSHIP IN DEBATE

(Mr. MOODY asked and was given permission to address the House for 1 minute.)

Mr. MOODY. Mr. speaker, let me say that all of us, I think, of good will

want to see us work together. The public is ill-served by this kind of fighting. The Members know I have not engaged in it. I am not that kind of a Representative.

The only reason I came over here today is because the distinguished gentleman from Georgia was using language to demean one of the two great parties in this country. I would certainly object if my colleagues on this side used the words, "reactionary Republicans" this and "reactionary Republicans" that. It would be demeaning to the great party of the GOP, and I would not appreciate it and I would object to the Member on my side. I would hope that the gentleman would do the same thing.

When the gentleman feels that his procedural rights are not considered, he can take the floor and say so, and some of us will probably support him, because, as the gentleman knows, neither I nor the gentleman from North Dakota [Mr. DORGAN] is the leadership. The gentleman would get some support in many cases, but I would suggest that he argue it on the merits, please, and not on labels. I do not think that serves the public or serves the dialog or serves the level of debate in this Chamber by labeling either party with pejorative terms that can be easily associated but that are not helpful.

Mr. Speaker, that is the point I wanted to make to the gentleman from Georgia.

Mr. DORGAN of North Dakota. Mr. Speaker, will the gentleman yield?

Mr. MOODY. I yield to the gentleman from North Dakota.

Mr. DORGAN of North Dakota. Mr. Speaker, my point was essentially the same, that to make this place work we have got to work together and we have to do it in a bipartisan way.

□ 1200

#### COMMITTEE ON ARMED SERVICES' PANEL ON MILITARY EDUCATION

THE SPEAKER pro tempore (Mr. KANJORSKI). Under a previous order of the House, the gentleman from Missouri [Mr. SKELTON] is recognized for 30 minutes.

Mr. SKELTON. Mr. Speaker, this is a continuation of a series. Actually it is the second of a series of discussions that I hope to have on the floor of the House dealing with the report of the Committee on Armed Services' panel on military education, a panel that I shared over this last year. I would like to continue my discussion of the panel's views, what we learned and our recommendations.

I became interested in military education as a result of what I deemed to be a lack of strategic thinking within our country, particularly on the military strategic thinking level, and, after

a series of some 5 speeches in 1987, I was appointed the chairman of a panel on military education studying the 5 senior war colleges and the 5 intermediate staff colleges of our military by the chairman of the Committee on Armed Services, the gentleman from Wisconsin [Mr. ASPIN], and we did an extensive review, 28 hearings, 48 witnesses, interviewing over 100 people, and this is a continuation of that.

Mr. Speaker, we looked at three principal areas: strategy, jointness and quality of military education, and first I would like to mention the professional military education that in our view was vital to our national security, and the fundamental view was reconfirmed during all of our visits to the various intermediate and senior war colleges.

George Washington, our first Commander in Chief, said that to be prepared for war is one of the most effective means of preserving peace, and that means more than weaponry. It means to be prepared intellectually.

Second, the panel believes that professional military education is becoming increasingly important. The former Army Chief of Staff observed that technological changes alone, not to mention political, or social or economic turmoil, requires that our officer corps that leads our national military receive more education.

A case can be made that in the future resources constraints; that is, budgetary constraints, that, as they become tighter, better military education can help offset those constraints, and, after World War II the Secretary of War, Robert Patterson, observed that in the 1920's and 1930's, and this was borne out by other testimony and other witnesses, that during those years the Army was too poor to hold maneuvers, so schools cost very little, so the Army denied the training opportunities afforded by maneuvers, went the limit in sending soldiers to school. Frankly, it never made any better investment. We were far more intellectually prepared as a result of our military education for World War II than we were in manpower and in systems, weapons systems.

Third, the panel view is based on occasional arguments that requirements to serve operational tours preclude the best officers from attending military education schools, that, if the best officers are to be sent to schools, they say that readiness will suffer. Well, I disagree with this, and the panel disagrees with this. The panel believes that the best officers can and should have both operational duty and education. While today's readiness may suffer slightly when a fine commander goes to school, war college or an intermediate school, when he returns from school his increased knowledge should mean higher future payoffs.

A view on this was stated by a noted British soldier many years ago stating

the need for both field experience and education when he said, Sir William Francis Butler, said that the nation that will insist on drawing a broad line of demarcation between the fighting man and the thinking man is liable to find its fighting done by fools and its thinking done by cowards. A modern perspective expressed by the chairman of the Joint Chiefs of Staff, Adm. William J. Crowe, who wrote in the spring of 1987 in the periodical *Parameters*, said that our instincts work all too often in favor of improving capabilities for action while capacities for reflection languish and atrophy. He further said:

I can testify that the military half of the great American civil-military partnership is especially vulnerable to capture by these dynamics. In today's world it would be a tragedy to neglect the intellectual dimensions of leadership, and we must continue to fight to keep the war colleges not only healthy, but constantly improving and intellectually expanding.

Mr. Speaker, I thoroughly agree with what Chairman Crowe said.

Fourth, our view is that a basic judgment is that the Department of Defense military educational system is sound, that it is good. I personally would give a good strong B to the system we have, not an A, not a C, not a D. The fact it is sound was brought home to the panel very clearly during its visit to three European countries and the military schools there, Great Britain, East Germany, West Germany, and France. The American military schools are fully comparable with those prestigious foreign schools, and America and the Members here should know that.

Our panel was impressed with the presidents and commandants of our military colleges. Some are exceptionally able, and their efforts to improve their schools are quite apparent. Many faculty members were outstanding and obviously dedicated to teaching. The student bodies were universally first rate. Even within this high overall quality certain aspects stood out as examples worth emulating, and I think there are two standouts. One was the outstanding civilian faculty and strategy curriculum at the Navy War College at Newport, RI. They get a good strong A in my opinion, and another was the Army's School for Advanced Military Studies which the Army calls the SAMS at Fort Leavenworth, KS, with its knowledgeable and enthusiastic seminars which we witnessed and have the highest praise for. They focus sharply on operational art; that is, the theater level of war fighting.

Another basic view, a fifth basic view of our panel, is that, despite the soundness of our system, improvements can and improvements should be made in what we have.

Mr. Speaker, individuals are either getting better, or they are getting



worse. There is nothing constant in an individual life. Same is true with the military. Same is true with the Nation. So, it is our task and our duty to urge that our military educational system, particularly on the senior level and intermediate level continue to improve and get better, and in so doing we will have a far better national defense than if it remains in a situation where it deteriorates.

I would like to next talk about the conceptual framework for professional military schools. That is a fancy phrase, but conceptual framework is important, and it is a framework that identifies the levels and is a schooling level of professional education such as primary, intermediate, senior level and a fourth level of flag officer. Also this conceptual framework clearly distinguishes the primary focus of each level in terms of its primary teaching objective. The military calls it a mission, and third, the framework links the educational level together into an overall structure. This really needs to be done, relating the principal teaching objectives, so that each level of school prepares the officers for the next and higher level as they progress through the military educational system, and fourth, a framework identifies the unique contributions of each school within its level. The resulting framework could clearly distinguish and relate the primary focus of each of the 10 intermediate and senior war colleges.

There is a need, there is a need, Mr. Speaker, for professional military education framework with distinct teaching objectives. The panel believes that for a number of reasons distinct primary teaching objectives are needed to clarify the purposes and to have clearer, and sharper, and more distinct primary missions, to insure the coherence so that each succeeding level of school builds on the earlier level and avoids unnecessary overlap.

□ 1210

We saw some of that. We should avoid that. The panel recognizes there is a need for overlap in the professional military educational system, but it should be done consciously and chosen by the leaders of the war college and the intermediate colleges when necessary, but unnecessary overlap should not be there.

On distinct teaching objectives, the objective avoids gaps in meeting education. For example, in the past, failure to teach theater level warfare, which the military calls operational art, may have been partly related to the absence of a clear focus of each level of school.

Last, the schools need a cross-section officer education. This is even more important now than in the past. Today over half the officers in senior

schools attend either a joint or other service school.

There are some shortcomings in our current professional military education framework. In short, the panel found that the joint professional military education policy document is not useful as a framework for coordinating the educational system because it contains indistinct teaching objectives.

We have several recommendations. The first set of recommendations is concerning chapter 2. I would like to reiterate them at this time to the Members.

The first is that the Department of Defense should develop and implement a clear and coherent conceptual framework for the professional educational school system. The framework should have distinct primary teaching objectives. It should clearly distinguish and relate the role of each of the 10 military schools, that is, the 5 senior war colleges and 5 intermediate schools, plus the general flag officer courses. Each level of schooling and each school should have a primary focus that provides students with a foundation for future growth through experience and operational and staff assignments and through additional education at high-level professional military education schools.

The second recommendation is that the Chairman of the Joint Chiefs of Staff should revise the "Joint Professional Military Education Policy Document" to establish and codify the professional military education framework with more specific objectives for the entire professional military education system.

The joint duty assignment list also, which is far larger than was originally expected, can and should be both improved and reduced significantly.

Mr. Speaker, I would like to turn to another subject, that of educating strategists. The major reason I got involved in this whole issue was the lack of strategic thinking within our Nation and the lack of strategic thinking within our military and how do we educate ourselves into better strategic thinking.

A major part of our panel's effort was directed at assessing how well the current professional military education system encourages strategic thinking, encourages the development of strategists. The panel's focus on strategy was prompted by a perception of shortcomings in the formulation and articulation of American strategy and a concern whether the professional military education system is nurturing officers, and a concern about whether the military education system as it did in the past can contribute to both the development and execution of American military and national security strategy.

Although the panel does not necessarily agree with those who criticize

American strategy, it does believe that U.S. strategy is too important to leave to chance. Recognizing that the formulation of a national strategy is essentially a political process, the panel believes that well-educated military officers who can think strategically have an important contribution to make to the development of strategy in our Nation.

Also the panel believes that there is an overwhelming need for the military educational system to improve its contribution to the strategic thinking of our Nation.

In the past, geography and technology enabled the United States to wait until wartime to draw upon the strategic vision of its military leaders. We did it in World War I and we did it again in World War II. That era is gone. The era of violent peace that emerged after World War II has created a need for military officers who can contribute their strategic vision during peacetime. The panel, by its emphasis on strategy, intends to underscore the fact that the development of officers who can think strategically is as vitally important to American security as effective weapons systems and adequate supplies of munitions. In many respects, it is more important.

In making its assessment, our panel first focused on the definition of the term "strategy" and the attributes of a "strategist." This effort helped the panel to understand better the contribution of education, and particularly professional military education, to the development of strategic thinkers.

Critics of U.S. strategic thinking often point to specific instances involving the use of military force or to issues concerning the linkage between military force and national goals. Examples that are cited by such critics include the American experience in Vietnam, the concern that American military capabilities are inappropriately skewed toward unlikely contingencies and as a result are inadequate for more probable low-intensity conflict; also the belief that inadequate attention is paid to the arms control implications of defense policy, and also the lack of attention paid to the affordability of weapons systems or force structure.

Further, the tendency for the annual defense debate to focus on the number of weapons systems, the number of fighters, tanks, frigates, and bullets, with too little consideration of how individual weapons systems contribute either to our military capability or to our overall national security objectives; in other words, how they fit into the strategic scheme of things in the defense of our Nation.

Some experts have even questioned whether the United States has a clearly articulated national security strate-

gy. For example, House Armed Services Committee Chairman LES ASPIN is among those who see the need to shift the emphasis of the debate over defense policy from the weapons we buy to the strategy we employ to secure our national objectives.

Historically, according to some scholars, the formation and execution of U.S. military policy has been hindered by a difficulty in clearly linking military policy with a strategic perspective. This group sees the American tradition of pragmatism, in the words of de Tocqueville, who said the tendency to "take a straight and short road to practical results" as impeding strategic thinking.

In our panel's view, a related problem has impeded a more noteworthy contribution to strategic thinking by U.S. military officers. Service interests, unheavened by a larger perspective, have tended to dominate the development of U.S. military policy. A major objective of the Goldwater-Nichols Act, as discussed in chapter 1 of our report, is to encourage a larger perspective on the part of the military officer corps. The question is does professional military education still nurture strategic thinking.

Another question, does our military spend so much time studying tactics and weapons systems that there is no time for strategic thinking, that is, broad thinking as to where we fit in our national security interests in relation to the whole world.

A fundamental concern that contributes to the panel's focus on strategy is the perception that Hiroshima and Nagasaki marked not only the dawn of the nuclear era, but also the beginning of a decline in the contribution of military officers to the development of United States strategy.

□ 1220

With few exceptions, military officers have been absent from the ranks of prominent post-World War II strategic thinkers, and what a shame that is.

The most notable exception is fellow Missourian Gen. Maxwell Taylor, who did make a great contribution in his flexible response thinking and work in the area of strategy.

In this respect, the last 40 years differ from the more distant past. The United States has been blessed during its history with military leaders who were also outstanding strategic thinkers. The father of modern naval strategy, Adm. Alfred Mayer, the architect of victory of World War II, Gen. George C. Marshall, and the man responsible, as I mentioned a moment ago, for flexible response, Gen. Maxwell D. Taylor, each of these officers made a profound and lasting contribution to national security by stimulating debate over U.S. strategy or by sound and imaginative thinking and

strategic advice to our American political leaders.

Mr. Speaker, as they matured professionally, these officers were given the opportunity and encouraged to think strategically, and that they did. In the 1930's, it appears to have been a very relatively high mark for education and development of military thought in our country. Many retired officers interviewed by our panel, some by me personally, pointed out that prior to World War II, attendance at an intermediate or senior military school was considered a necessary tour of duty and even, Mr. Speaker, it was considered a reward for doing a good job. Many renowned World War II military leaders, such as Eisenhower, Nimitz, Arnold, and Missourian Omar Bradley attended a senior professional military school or taught there.

Admiral Halsey, the famous Bull Halsey of World War II, who commanded the Central Pacific amphibious campaign against the Japanese, attended in between the wars in the 1930's both the Army War College and the Navy War College.

Subsequent assignment as a faculty member to these military schools was highly prized, and it was duty that was reserved for only the very best officers. That is not so today in many cases, some yes, but mostly no.

For example, Gen. George Marshall, the architect of World War II victory, taught at the Army War College. He was the assistant commandant of the Army Infantry School, and Admiral King was the head of the postgraduate department of the Naval Academy, and our panel appreciates that the basic formulation of a national strategy, of which military strategy is only one component, is essential to the political process.

Our panel firmly believes that civilian leadership needs and should be able to draw upon military advice that is soundly grounded in an appreciation of overall U.S. national security goals.

Mr. Speaker, in my discussion today, I will continue to go over the thoughts and the findings and the recommendations of our panel in the days ahead and hope that the Members and, of course, the people who read the CONGRESSIONAL RECORD can understand better what our military education panel did and our contribution toward a stronger and more secure national strategy.

#### REPORT ON THE COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, I rise in continuation of my commitment to my colleagues in the House to report

on the present status of the affairs and the conduct of affairs of the U.S. House of Representatives Committee on Banking, Finance and Urban Affairs. I began this at the very outset of the convening of the Congress in January and have since intermittently made some interim reports, but we have reached the point now where I think my colleagues are deserving of an up-to-date, where-we-stand-now status report plus some reports with respect to the critical surrounding issues that, if they were only to be understood in their proper dimensions, would reach the level or the status of importance of what is considered the critical issue of the reestablishment or the preservation of the savings and loan industry but which, in effect, is really not that.

The basic issue before us and nexus of issues are the most critical facing this committee over 50 years. It is a result of the Congress generally, these committees in the House and the Senate, specifically, not facing the tremendous changes that our country and our world have registered since the 1950's; the consequent indifference to the domestic burgeoning issues rising from the midst of a very young, still, and dynamic society in our country, but now impacted by external forces, external to our shores, over which we no longer have any control, but which, again, have little of no discussion whatsoever in these halls of these deliberative bodies, the House and the Senate of the most deliberative and serious and democratic bodies in the whole world, and that I think I have deplored time after time since I came to the Congress and since the 1960's.

As a matter of fact, much of what I am going to say today is somewhat saddening to me, because it is reporting what I had feared, had anticipated, had forewarned and had even had recommendations to try to forestall years ago, as far back as 1966, and the then so-called credit crunch, the first so-called credit crunch of June 1966. As a matter of fact, the legislation that has been absorbing totally the attention of the Committee on Banking, Finance and Urban Affairs, it is, as a full Banking Committee membership, is known as the H.R. 1278. Yes, in a way, it does preserve or provide for the continuation of an activity that we have associated and called the savings and loan industry, but the single issue, and the only real issue and the one that I tried to no successful avail a year ago exactly this month of May, to bring some action to call the attention of my colleagues on the committee, the colleagues in the House, and the colleagues in the Congress generally and to the constituents and those outside of the Halls of Congress, and that is whether what we call the depository



insurance fund system is to be saved or not.

□ 1230

I warned exactly a year ago this month, in fact exactly a week ago it was an exact year, that the insurance fund was broke, the insurance fund for the savings and loan industry was broke, that fund which is known as FSLIC; that in my State of Texas where so much has been said and not said and in fact so much misreported or misinterpreted that we first saw the beginning of what has turned out to be this national debacle. It would be a mistake for anybody to think that this problem now is anything but national or that it ever had anything less than the potential for being national rather than segregated and reduced to a single geographic or sectional portion of our country.

The other thing is that the reason that the manifestations of the real crisis were first apparent in those areas was that in Texas and in other areas of the Southwest, mostly the ones producing oil and gas, and particularly Texas, this area has been undergoing not a recession but a depression. And let there be no mistake about it, it has been a disservice to our country for the Texas leadership or the absence of leadership in Texas not to have recognized the fact confronting them and risen in true historic Texas fashion to overcome these gigantic problems.

I might say by way of parenthesis that I was a member of the Texas State Senate 30 years ago and first came aboard there 32 years ago, and that one of the first speeches I made was to warn my colleagues in the Senate and the leaders of the State and industry that Texas was in a delusion if it thought that the prosperity that seemed to be considered as eternal and bound to be Texas' birthright was based on the same economic presumption as those countries that with great disdain we have looked down upon and called single-crop countries or banana republics.

I pointed out that Texas was very boastful, that it was saying, "We pay cash on the barrelhead for our Government as we go along, we don't have deficit spending," but that the laws and the tax laws were being written in the lobbies of the lawyers for the oil and gas companies. Well, of course, I was not liked for that, but I pointed out that that did not bother me as much as the absence or the desire of the leaders of Texas in the private and public sectors to start programs of intense diversification so that Texas would not someday face a reckoning in some untoward and at that point unforeseen moment when that single predicate of economic well-being, oil and gas production, would no longer be viable.

I am sorry to say that it was considered so outlandish that I was immediately labeled a Socialist, radical, Communist, perhaps, and of course the essence of what I was trying to say was lost sight of.

Today, pathetically the thing that Texas needs the most is vision and leadership and above all faith in itself. I want to point out to my colleagues as I said to the colleagues on my Committee on Banking, Finance and Urban Affairs—and let me point out here for the record that presiding during this session as Speaker pro tempore is one of the most hard-working and distinguished members of this Committee on Banking, Finance and Urban Affairs from the great State of Pennsylvania, the Honorable PAUL KANJORSKI. He has been a most valued member of this committee and has contributed mightily and he knows that I have pointed out that in Texas more commercial banks in point of number have failed than S&L's.

This seems to surprise people. But I think it is demonstrative of the fact that there is a situation there that is pervasive.

Also the other thing that I think has not been reckoned with is what I consider to be the cause and effect tie-in of the tax law changes.

In 1981, the famous or infamous Reagan tax bill which gave away \$755 billion over a 5-year period of revenues to the Treasury in the guise of benefits to the richest and most powerful corporations and individuals in our country. And as I said then and have said ever since, should we be amazed that we have a monstrous domestic deficit? Either that or we would have to shift that burden of taxation on other shoulders and raise taxes.

So that it was that tax bill more than anything else that gave the incentive for this frenetic investment in real estate development, commercial and industrial buildings, apartment buildings, office buildings that today glut the State of Texas where there are more vacancies in that building space than there are occupied residential units. It is unbelievable, but the tax bill of 1981 gave the largesses that made it possible to go into this frenetic and uncontrolled activity.

Then in 1986, the rug was taken away and that Tax Reform Act of 1986 took that and it was in 1986 there in my area alone we had in 1 year's time in 1986 a precipitous drop of over 42 percent in real estate values.

Should we not then have seen what had been foreseen and forewarned? After all, I rose on this same floor and protested the two so-called regulatory actions, the Depository Institutions Deregulatory Act of 1980 and the 1982 so-called Garn-St Germain bill. So that is the background. But where are we now?

Well, all last year I do not think there was any Member agonizing more than I. I could see for myself that it would not be long before the whole system of insurance and deposit fund insurance was in jeopardy. The insurance fund was broke. In order to do that for which the insurance fund was set up but could not because it did not have the resources, the Home Loan Bank Board then entered into probably one of the most unprecedented historical actions to circumvent and find some way of getting around the impossibility of doing that for which they were set up to do. And also, in addition, I want the record to show that since 1966 and that credit crunch, I was advocating the separation and independizing of the insurance fund functions from the chartering functions. So I am happy to say that in the administration's bill—and I have since after the election given credit to the President and the Secretary of the Treasury who soon after the election within 1 week admitted to the seriousness of the problem and announced their intention to try to do something about it. This is something that was totally absent from the still-in-power President Reagan.

It is incredible to look back over the record and find that Mr. Reagan until the time he left office January 20 never once mentioned S&L's. So why is it, so many citizens asked me in December, why is it that this is a crisis? I said the crisis has been here. The thing is nobody wanted to listen and nobody cared. As long as there was a killing to be made in these high-interest yields that some of these institutions had to do in order to be able to pay the additional cost for funds.

□ 1240

In Texas in 1984 in interpreting the Federal Reserve Regional Bank Report, I noticed that the Texas S&L's were having to pay 4½ percent more for funds than the S&L's outside of Texas. Now anyone will tell Members in the financing business, that you cannot do that. You cannot borrow that way and lend along on different terms and be in business.

However, everybody was riding that merry-go-around, having a great time. Why? Because they had such things as land flips, all based on a pyramiding of land values. I reported that on this floor in 1984. Who gave a hoot or a holler? No one. I could not get any Members to say, "Hey, look, let us at least look into it." So a year ago in May, 1 week ago, I asked the chairman of the committee to appoint a task force and said that I did not have to be on it, but the people are going to have a right to say later, when that little depositor or shareholder says, "Well, wait a minute, you are committed to protecting my deposit up to 100,000,

how can you tell me you do not have the funds to insure my \$20,000?" Sooner or later they are going to say, "Well, you in Congress, how come Members did not say anything? Why did you not do anything?" What was the administration saying, do not rock the boat? What was the Chairman of the Home Loan Bank Board, then and now, saying? Oh, no problem, sure, we would like to have more money authorized from Members to infuse the Insurance Fund with more money, but we can handle it. We have the resources and we can call on the resources. That was a total lie. I was in desperation pointing out that they could not. That the size of the hole they were reporting to the Congress was a fraud. That it was at least twice as big, at least, and in Texas alone would amount to the same amount that the chairman was saying was a national figure. Who cared? That was a year ago.

I then said, fine, I am raising my voice. I have always in my public role, when I have risen to criticize and knock anything, I have tried to be constructive by either offering an alternative or a plan or a suggestion, and I did a year ago. In fact, I offered two, because it was obvious that what is at stake and is not being mentioned now are the still remaining stretch out fixed mortgages over which are still extant, many of have been converted, low yielding, low interest, which many families have as there are still quite a number in the portfolios of some of the smaller S&L's, and which those families are paying faithfully and maybe the average have reached beyond the midpoint, over 15 years or 16, they are in jeopardy. I do not care what anyone tells me, they are in jeopardy. If we do not do that which we should have been doing all along, and that is first reforming to prevent anything from recurring like this, if we are going to spend money, then we want to make sure it is not repeated. But most of all, to make sure, and I want to do so today and stress and underline and reunderline that when the newspapers or anyone else calls this a bailout, it is a misnomer. It is not true. There is nothing being bailed out here. This is a bailout of the depositors, if anything, who are saying, "I am safe because I have been assured all through the years that my \$15, \$20, \$10,000 is insured, and as long as I do not have over \$100,000, I am safe." this is what I have been saying for a year. Why? Because in Texas, in February of last year, FSLIC was paying out in the case of supervisorships, that is when they were taking over an institution that was beginning to go under, but actually coming in under the control of the Government through FSLIC, or management consignment deals which were far more substantial, but which did two noxious things.

First, in February 1988, in those transactions, FSLIC in Texas was paying 72 cents on the dollar, but by May of a year ago at this time, it was paying out 42 cents on the dollar. I am alarmed. Why? Because all during the Depression, here is a significant difference, my colleagues. Between then and now, all during the Depression and through the most bitter and the highest point of the Depression, values never went below 75 percent.

In our case today it is in flux. I do not know of anyone that is going out there to bet a dollar on market value at this point on real estate. But what would be the average, 50 percent? I do not know. The FDIC and some of the institutions and properties that it has taken over have made some decisions that preoccupy my mind very much, my colleagues.

For one, in the case of some condominiums on the coast that have been going at \$85,000 or \$90,000, were put on the block and went for less than \$20,000. Now that is the big problem in this bill, and that is what I wanted to report on, because the facts are unless we come out with a bill and unless we perfect the President's bill, now the administration is wrong when it tries to give the impression that they have given Members a bill that is equal to holy script. No sooner had the Secretary of the Treasury presented that bill to Members, I think it was the first week in March, within 24 hours, I had stayed up most of the night looking it over and it was obvious that it was imperfectly and shoddily drafted. The draft language was poor. So we went to the legislative counsel, who when he looked it over said, "This is the worst written bill I have seen." Within 2 weeks we had a message from the Treasury saying, "Hey, we will have to have 400 technical amendments." Well, all right. I realize the Treasury and the President were trying to work and were working under the gun, and they were working very fast, and when you work fast, legislation is not susceptible to a push-button type of perfection. It takes time and skill and pondering and sustained and dispassionate consideration and phraseology, because Members might have the best intention in mind, but they have to find the language that will convey that intention in statutory form.

So I said, send them over. They sent a total of 411 technical amendments. Of that number, our staff, to their glory, and I want to pay tribute to the staff of the full Committee on Banking, Finance and Urban Affairs, which incidentally I found out after I became chairman, I did not even have a counsel. My predecessor had never filled the position of counsel. I suffered a \$300,000 loss as of October 1 in the budget for our committee, and again, I might say by contrast, because some

Members who were here and listening to the previous discussions and the unfortunate abuse of this privilege of mixing it with what I consider to be purely political partisan purposes, and we are talking about how one side was spendthrift and all, the investigation of Mr. Wright, up to now, is costing the taxpayers over \$3 million. At this point, practically the same amount of budget that we have for the total operations of the Committee on Banking, Finance and Urban Affairs, which is facing the biggest crisis it has in 55 years.

How can we make any sanity out of that? But these are the ones creating this expenditure who are yelling about spendthrifts. So I just give this as an example, because I could not believe it when I was informed as of October 1, 300,000 had been diminished from the Committee on Banking, Finance and Urban Affairs budget. So we struggled. We went to the House Administration, we were able to get some restoration, but I am not the kind that goes around trying to magnify and create empires.

□ 1250

But I was astonished when I discovered that the principal chief staff positions had not been filled, including the position of counsel. But we were very lucky. We found a young lady with a tremendous background of experience as counsel, one who was interested and who is now the chief counsel for the committee. Between them all, they have done tremendous heroic work, working sometimes over the weekends until 3 and 4 in the morning.

I do not think my colleagues have any idea of the amount of work it takes, even when we have markup. When we were having markup, that is, the amendatory process of the bill, we were using up 30,000 pieces of paper every day. This is a tremendous operation. To begin with, the committee is twice the size it was when I came on the committee 28 years ago. It is now a 51-member committee. But every one of the members, I am sure, strives to do the best in keeping with his responsibility and his conscience. And I have appreciated that, because everybody was talking pessimistically about how we would be bogged down, and we did not. We expedited the most complex banking bill that I have seen since I have been on this committee for 28 years. We did it in record time and with a vote of 49 to 2. I do not see how anybody could ask for anything more.

So I caution the President, when he sends a message like he did yesterday, addressed to the Speaker, saying, "Don't you all bog down, don't you all be dilatory, we've got to expedite," that we have expedited it. His problem is with his own Republican Members, because the Republican leadership has



not been able to keep them in line in such things as hardcore capital standards. That is the key issue to this reform. If this House or this Congress comes out with anything short of a hardcore, solid, basic capital standards for these institutions, we will be betraying the national interest. But even as I am speaking now, there are powerful interests that are militating against it day and night, trying to do that, water it down.

I say, "Mr. President, don't target your guns on my amendment on housing, which is the only thing that will make your bill acceptable. You have a bill, Mr. President, that you wanted us to pass and, if possible, rubberstamp. I pledge to you bipartisanship, and that is what I continue to give you even under difficult situations where you don't observe it that way, because we put in the only redeeming amendment that would justify any kind of an infusion of the size we are thinking of into an industry known as S&L that anybody in America will tell you they assume is for housing finance, and your bill doesn't have a penny for that, and it didn't until we put the amendment on."

And that does what? It provides a modicum, only a modicum, not even 5 percent of a total billion dollars. And for what? So that the home loan banks will have a little window, so that the 12 regional banks will be able to loan for the purposes of affordable housing to the little families that want a mortgage that they can pay for, that they will have the downpayment and the monthly payment for on a sustained basis, a long-term, stretchout mortgage.

And I say, "For this, Mr. President, your administration and its spokesmen and your Members here in the House want to target that instead of focusing on the prime issue, which is the capital standards which you haven't won with your own partisan supporters? It has been the Democratic Members of the committee that have won that vote."

Even in the ancillary proceedings, in the sequential referrals we made to the Judiciary Committee and to the Ways and Means Committee, it was the Republican Members who were trying improperly to act, because the sequential referral in the case of the Judiciary Committee did not give jurisdiction to the Judiciary over capital standards or good will, which is an integral part of this issue on capital standards.

Fortunately, the committee split. But I say, "That shows you, Mr. President, that your real problem is with your own, and it ill behooves you to write a letter to the Speaker insinuating as you did."

The Speaker has pledged to me since the beginning that he will schedule this as soon as the rules and the proce-

dures enable him to schedule it for immediate consideration. I want to report to my colleagues that as of this moment it looks as though the Rules Committee will be able to entertain us for a consideration of a rule on Tuesday, June 6. I had wanted to have action on this bill this week. I had even spoken to the Speaker about holding us here before we went on the Memorial Day break so we could get it out. But we had sequential referral, and then the Ways and Means Committee decided that their approach was to be up front and onboard, on budget, with the Treasury as it is, as well as they could. Frankly, even though I have not seen the language of the Ways and Means Committee amendment, because it takes time to process all of that paper, I do not know the full extent of the implications of the language as to the financing mechanism involved there. But it is different and contrary to the President's wishes, and that means that we go to the Rules Committee and the Ways and Means Committee goes with us and the Judiciary Committee goes with us. But in the meanwhile, since there is an impact on the so-called Gramm-Rudman processes, the Government Operations Committee has some say, and they will not be able to get on that until next week.

So, therefore, it means that the following week, that is, this Tuesday, in 2 weeks will have an opportunity to go to the Rules Committee.

My faith has always been the basic respect I have for each and every one of my colleagues. I have exercised chairmanship positions in varying capacities in the past. In 1970 we had different procedures, and I was named chairman of the Subcommittee on International Finances. I held that chairmanship for 10 years. At that time, I was allowed no more than one assistant for that whole committee. Yet we produced legislation. Today there is not a subcommittee that does not have at least 10 or 12 staff. That is fine. But what I am saying is that we had those experiences.

Then in the meanwhile I was appointed by Chairman Evins of Tennessee as chairman of the ad hoc committee on the Robinson-Patman Act in 1975 and 1976, the moment the Small Business Committee was made a legislative committee in 1975. So I was a member of that until this year, and I chaired that committee. We had 3,000 witnesses. It took 1 year and 3 months. The report we issued was gobbled up immediately. It was well done because I had the benefit of an experienced elderly gentleman who was in semiretirement. He had been an attorney for the FTC in the tough times when the Robinson-Patman Act was being enacted. He was a member of the staff of the Banking Committee when those measures were going through the Con-

gress in the 1930's, and he wrote a magnificent report. Unfortunately, the so-called Robinson-Patman Act is dead because of the vitiation of it through nonenforcement and nonadministration by the Reagan administration.

But I had that experience, and there was a total of 11 members on that ad hoc committee.

Then I was named at the same time and in the same year as the ranking member or vice chairman, as they called it then, of the Missing-in-Action or Prisoners-of-War Committee. Then almost simultaneously, since I had been the first one to introduce a resolution with respect to the violence over a 10-year period, which was misinterpreted as an assassination investigation—which it never was, because I am very well aware of the constitutional limitations of the Congress or the House to investigate—I had this further experience.

□ 1300

Unfortunately, Mr. Speaker, that turned out with deviation and was another history, but all during the time I held that gavel I thought I had proved once and for all that I considered every Member my peer, that, as chairman, all I could do was set the agenda, that I considered every Member, the newest Member, the minority, the majority, my peer, and he would be respected that way.

Then in 1981 I was elected over opposition to the chairmanship of the largest subcommittee then in the whole Congress, a Subcommittee on Housing and Community Development which, thanks to the generosity of my colleagues on the majority side, have continued me as chairman of such subcommittee while I am chairman of the full committee.

All during those times, Mr. Speaker, I thought I had proven that I was not one to take advantage of the prerogative or whatever power emanated from holding the gavel in order to try to impose my will or my views. I am a fervent, devout believer of the democratic process. I am a servant of the process. I am a beneficiary of this great, wonderful American system of democracy. Nowhere else in the country would the opportunities have been presented, and I will fight to the death to maintain it, preserve it, leave it undiminished and leave it undiminished by one iota to those who would follow and fill our shoes. That, I think, is the supreme responsibility in a democracy such as ours.

Mr. Speaker, the acid test is that when it is all said and done, what did we do with the power we held, and the privileges we had and the endowments given to us by the Almighty? Were we for the people, or were we against the

people? That is the guiding light, and this is what we have done.

So, we had a 51-member committee that all were predicting would be bumbling and fighting, and we did not. Everybody had a chance. Nobody was kept from offering an amendment, from speaking out. I was accused of delaying and that I was just prolonging, that it was not a tight management of the committee, and I said, "So be it," and I proved that, if someone wanted time, that he is to be given a chance, these admirably prepared and great intellects that are members of this committee and this body.

Mr. Speaker, I have respect. I am not one who belittles our elective Representatives because in some cases, yes, politically peers, I know, in many cases, intellectually they are superior, and I will respect them, and I would consider it a sin if I did anything to deprive or shortchange any Member from having full expression no matter how vehemently opposed he was in his views to mine. Mr. Speaker, I think that was proven, and I do not think I deserve any special accommodation. I think that is our duty. Why should we be commended for doing our duty? Why should we be praised for being honest?

Mr. Speaker, we take much for granted in America, and I know how I thought before I ever thought I would be in politics. I just assumed that fellow asking for office was honest, and I assumed that that is the fundamental predicate of our whole being, and I said when I got to the State senate on the eve of a big crisis in Texas; they were going to have an ethics bill and all, so I said, "Well, if we have to wait until we're grown-up adults to have somebody draw an ethics code, that's too late. If we don't know the difference between right and wrong, between what's mine and what isn't mine, I don't know how a code is going to do it, how it's going to give it to us anyway."

Now straightaway the point is that the Committee on Ways and Means to its credit acted expeditiously, very responsibly, and worked on that part of the title of the bill that has to do with the Resolution Trust Corporation's bonds and the tax consideration to be given to those bonds. They did their duty. The majority carried out its will. They stayed away from going into nongermane subject matter such as my housing amendment which some Republican Members wanted to knock out indirectly. Judiciary acted with as much dispatch as it could under the circumstances.

I want to express my own, and I think I speak for the majority of my committee, if not all, my profound appreciation to the gentleman from Illinois [Mr. ROSTENKOWSKI] of the Committee on Ways and Means and to the gentleman from Texas [Mr. BROOKS],

my fellow Texan, because they have conducted a very responsible course for their respective committees, and I know there are others. We had one committee, for instance, that yielded, said, "We don't want to call sequential referency even though we call. You go ahead and handle it within your jurisdiction. This is a banking matter, so go ahead."

So, all of these things we must mention in the Record to show that, given the opportunity, there is not a Member I know but what would not act most responsibly and most intellectually. I just get so upset, so saddened, so disappointed when I see some of the generalizations made by politicians in general, Members of Congress in particular, because I say to my colleagues, "I've come up. I've worked since I was 10 years old. I worked for almost everything you can mention and throw a stick at. I've worked at it, and I've been in private business, and I haven't seen as high standards of personal conduct in this public sector—I haven't seen anything higher than what I've seen in the public sector, and, compared to what I witnessed in the private sector, I think we ought to be eligible for sainthood, and yet we have a tradition to look down on what we call professional politicians."

While we are here in this disintegrative process of trying to repair what we should have foreseen we have the world still spinning, forces tremendous that are acting, and interacting and impacting us. We have true financial institutions that are considered American based but whose activities sometimes will carry them transnationally, and perhaps our thinking in terms of the corporate profit, and well-being, and not necessarily the national conduct or the greatest interests of the greatest number of this particular Nation, so I want to point out that we in the committee have not had hearings on such things, for instance, as the significance of the development of the European Monetary System [EMS], the European Currency Unit [ECU] which are all in place now, but I have been speaking out since they were announced in 1979, the last sentence in the communique issued at the Bonn, Germany, economic summit meeting at which our President, Jimmy Carter, was the spokesman, and it was there that ECU and EMS were unveiled.

Mr. Speaker, I have been speaking on that, but unfortunately I have heard no discussions either on this side of the Capitol or on the Senate side, and that is unfortunate because, while Europe is integrating, we are actually disintegrating. Also we are in competition. We have had now because of the financial activities behind them very much vitiated whatever it is we might have won somewhere in the field of battle years ago, but we are in

a newly structured world in which, because of the explosive revolutionary technological improvements and the instantaneous dissemination of information—for instance, as I am speaking now this day, there will be over \$500 billion chasing from London, to New York, to Paris, to Bonn, to Tokyo, and what is it? It is money chasing money. It is not pursuing progress or goods. It is speculation on currencies, making bets with this huge, huge, tremendous amount of money.

□ 1310

This huge, huge, tremendous amount of money, the potential there for some quick event is there; so we hear the news stories lately that have been on the financial pages and in some cases the front pages that despite intervention by some of the central banks, including the Federal Reserve Board, the dollar keeps rising.

Now, everybody knows that the dollar had dropped 45 percent just between 1985 and 1989. So what is this rise? How do you describe it?

Well, in my book, it is like the stockmarket. The big ado about how the stockmarket activity has gone back to the levels of October 19, 1987, but what was that activity and what is this activity? Is it honest stock transactions based on industrial activity out in the heartland of our country? No. It is frenetic hot speculative transactions chasing speculative transactions. It is all a giant castle of cards or paper. It is not based on the true value, say of the dollar.

The United States became a debtor nation for the first time since 1914 just 4 years ago. You might say, what does that mean? Well, the fact that the Reagan administration could say we have prosperity, as illusory as that was, is only because of the infusion of credit and borrowed money from investors abroad, but this money is very fickle. It is very volatile. For example, we have the great debacle of the Continental Illinois Bank a few years ago that cost \$6 billion. If it had been in any other country, like Mexico, we would have said we would have nationalized it, but oh, no, we do not say that.

Why did it do that overnight? Because in quick fashion the foreign investors who had money in that bank pulled it out very quickly. It was beginning to have trouble. We in the committee knew it was going to be in trouble because one of its big ancillary banks, the Penn Square of Oklahoma, had gone down in scandal. We had brought up the auditors from the Comptroller of the Currency and they showed that system had not been operative. They were coming in postmortem. Postmortems do no good.

The reason you have the examiner, the reason you have the auditor, is to



look out for and prevent, anticipate and prevent any kind of gimmickry and phony business.

But the fact that this money is so volatile was proven in the case of the Continental Illinois Bank.

It is estimated that a little better than one-third of Government bonds, paper and whatnot, bills, are owned by foreign investors.

Now, is that good, bad or indifferent? Well, it can be good or bad, depending on what we do in our management of the system. What I have been decrying for years is that we have not had a functional management system that is up to date.

I pointed out in the case of interest rates, I have been yelling even before Wright Patman that the whole history of empires, going back to the time of Hammurabi 7,000 years before Christ, was this thing called interest and how the destiny and the rise and fall of empires ebbed and flowed with such things as usury.

Why was it that in the time of Christ there was the death penalty to someone accused of usury? Why is it that we in the United States have absolutely since 1865 and the National Currency Act on cap, no control?

In fact, the Federal Government has impacted the State anti-usury laws where there are only one or two States left, Arkansas and one other, that even preserve a semblance of anti-usury.

Well, let us look at other countries. What about Japan? Japan has interest controls. They have relaxed them here and there in some transactions. They recently had some reform to allow competition in foreign exchange markets, like England had its big bang back in 1986. Canada had a smaller bang in 1987; that is, they enlarged their deregulatory controls in order to allow some investors to come in under certain transactions, but they still have control and Japan still has control. You cannot legally go over a certain percentage rate.

We in the United States in 1980 and 1981 had the prime interest rate go up as high as 21 percent. I took this floor and spoke for at least 23 times decrying what that was going to do to our country. I am sorry to say that I was far more right than I turned out to be wrong.

It is still at the bottom of the problem, but at this point that is an ancillary thing that I doubt anything can do about, because we have these crises now, and as I say and repeat, the issue is not bailing out anybody. The issue is whether or not we are going to preserve the insurance fund.

Incidentally, I am just as concerned about the commercial bank insurance fund, known as the FDIC as I am and have been with the S&L FSLIC; so that the bill that we have and that hopefully if the Rules Committee acts

on that same day, on Tuesday the 6th, and given the pledge by the Speaker, I would think it would be entirely within the realm of possibility that we could bring it for full floor debate on June 7 or 8 and go on to the Senate.

We are in a rat race betting nothing will happen to create an unmanageable crisis. I have been saying this for a year that is the alternative, chaos.

I was the first one to suggest a \$50 billion infusion of credit on the basis of a loan from the Treasury to be amortized, I suggested 20 years, but to be worked out by the Treasury and on budget, because at that time, a year ago, I am convinced that had we even given that pledge to show that we were a thousand percent behind the insurance fund, they would never have had to use more than one-fifth of that amount, because it would have stopped the bloodletting. That is, it would have stopped deepening the size of the hole. As we are going now, it still keeps getting larger, every day that we delay with infusing the resources necessary for the insurance fund to do that which it was intended to do to begin with, plus the fact that we now have the burden with a brand new regulatory environment, because without reform it would be unthinkable to pour in that kind of money.

As the President well put it, we do not want this ever to happen again, but to me we missed the point. If in the meanwhile there is not the action necessary in time to prevent the extension of the problem over into the other financial institutional turfs, such as the commercial banks and the other.

On top of that, we have a very complicated financial institutional framework. The Congress has enacted such things as nonbank banks, so now you have Sears & Roebuck that does banking, J.C. Penny does banking. The securities firms on cable TV, you can see the ads, they offer all the traditional banking services that used to be for the banks.

In the meanwhile, the big, big banks, because we do not have a monolithic commercial banking structure. You have the big, big, big. Then you have the big. Then you have the medium, then the smaller-medium, then the small, then the real small. They are all commercial banks; but the big ones in the meanwhile, what used to be the world's largest banking institution, an American bank, is today No. 23.

□ 1320

The biggest one is over in Japan, but fine and dandy, in order to stay alive and their balance sheets show a profit, those banks have had to go from the traditional interest from deposits and everything else and loans, interest from their loans out, to fees, performing services. The Citicorp, for instance, has expended \$10 billion in moderniz-

ing computer services where they can perform all kinds of services, even market transactions, and they have what they call a 30-minute market transaction.

How does that impact the other areas, real estate agents, processors in mortgage making, what about the penetration across State lines? The big, big banks would like to get additional powers to go full swing, to get such things as out-and-out securities, and, now, there is the danger.

On January 20, the Federal Reserve permitted five banks, five of the biggest banks, to engage, they said, in limited fashion with what they called sufficient firewalls under their interpretation of the Bank Holding Act, to let those five venture into the thing that has gotten everybody into mischief, that is, exchanging equity for debt by going into these high-risk areas, especially in the international markets. It is like the Hunt brothers of Texas, the billionaires then, broke now, thinking that they could corner the silver market, trying to meet head-on the silversmiths in London that have been in that for 450 years and in the most controlled market of all, the silver and gold. It was foolish. But they tied up \$30 billion worth of bank credit.

Mr. Speaker, I raised the issue then years ago right here on this House floor, and this is what I think the committee has a responsibility, as soon as we transact this first business, to get it out of the way.

For that, I offer for the RECORD an article reflecting an interview held with the Washington Financial Service Report, volume I, No. 1. The headline of it is, "Chairman Gonzalez Envisions Comprehensive Reform of Financial Services Regulatory Structure," and another one entitled "Not So Fast" in the Institutional Investor of April of this year, in which I point out there the tendency, unbelievably, of the Federal Reserve Board going into areas that it seems we would have learned by the experience with the S&L's. I am inserting those in the RECORD at this point:

[From the Washington Financial Services Report, May 1989]

#### CHAIRMAN GONZALEZ ENVISIONS COMPREHENSIVE REFORM OF FINANCIAL SERVICES REGULATORY STRUCTURE

House Banking Committee Chairman Henry Gonzalez strongly endorsed the concept of comprehensive reform of the nation's antiquated financial services laws. "[I]t's overdue. Not only is it ripe, it's past ripe," Gonzalez stated in a recent wide-ranging interview with FSC representatives. He noted that broader restructuring legislation is a priority item for the Committee, and that, after additional hearings this year, he would "like to expedite" such legislation and is "very optimistic" that broader reforms can be passed next year "at the latest."

As the Committee's new Chairman, Mr. Gonzalez clearly brings a new, promising leadership style that will have a major influence in reshaping the political outlook for broader financial services reforms. He voiced his concerns over the past "piecemeal" legislative approaches. The Chairman explained he considered such proposals unfair to Committee Members because "they were placed in a position of being for or against deregulation. That wasn't the issue at all . . . it wasn't deregulation—it was how you deregulate. . . ." This question appears to be a central issue for the new Chairman.

Several times during the interview, Mr. Gonzalez expressed his belief that the other Committee Members are now ready for comprehensive reforms, and that if they are adequately informed, they will "do the right thing." However, he noted that "we just don't know enough right now. We know that we've got to do something, that we've got to accept the changes that are upon us—they've enveloped us. And we've got to have something other than this jungle out here with the ultimate decision going to a judicial basis of settlement instead of . . ." being set by clear Congressional policy.

Gonzalez explained that he strongly favors taking an anticipatory approach to legislative issues and acting before serious problems develop. Moreover, he made it clear that under his leadership, the Committee will reassert its policy making responsibilities and not leave a vacuum to be filled by others, such as the regulatory agencies.

He reemphasized his objective of ending the days where the House Banking Committee could be classified as "a passive or reactive" body. The Chairman commented that "[M]y most anguishing moments on this committee [have been] to see these burgeoning issues arising from the midst of our society and outside our country and we're acting as if we were impervious or absolutely unaware. So, I want to revisit [comprehensive restructuring] as a matter of priority as soon as [FSLIC is] off the front burner."

Gonzalez also observed: "I consider the question of bank powers the fundamental issue. . . . [T]he Banking Act [of 1933] . . . set the . . . line between clear banking activities and commercial activities. But, the world [has changed]! You've had 6 or 7 new worlds since [then] and in the banking field in particular, and in [related financial services areas]. . . ." Gonzalez said that a difficult, but not insurmountable issue that must be dealt with is how to accommodate the states and the dual banking system.

He emphasized that he intends to work closely with his colleagues on the Committee and to operate in a very democratic manner: "I've always believed that every man should have his idea and then let the majority decide." By working together, and ensuring Members have adequate background information for making legislative judgments, he expects to be able to help forge a consensus on difficult structural issues such as "firewalls," powers and substantive deposit insurance reforms (which must be "revisited").

With regard to subsequent structural reform hearings and obtaining adequate information for legislative action, Mr. Gonzalez noted: "[W]e have to go back and pick up the fundamentals as they present themselves to us now in lieu of the fragmentary deregulation or re-regulation that we've had. What I'm seeking is to have some cog-

nizance of the different structural components in our financial institutions. . . . [T]he big task is to be able to get a consensus as to how we can define the proper [scope] without intruding or denying or unjustly depriving any one sector of any freedom to engage in market activities they [should] have access to. . . ."

Although many have assumed the legislative problems would occur due to philosophical or jurisdictional differences with Chairman John Dingell and the House Energy and Commerce Committee, Mr. Gonzalez indicated he does not expect Dingell to present a roadblock to enacting legislation. Commenting that he and Chairman Dingell had already discussed these issues, Gonzalez expressed confidence that any differences could be worked out "amicably" or simply decided by majority vote on the floor.

#### SUMMARY AND EXCERPTS OF SELECTED COMMENTS BY HOUSE BANKING COMMITTEE CHAIRMAN GONZALEZ DURING INTERVIEW WITH FINANCIAL SERVICES COUNCIL REPRESENTATIVES ON MAY 18, 1989

Chairman Gonzalez commented on a wide range of issues relating to domestic and international banking issues during his recent interview with FSC representatives. As summarized above, comprehensive structural reforms are high on his agenda. Moreover, the Chairman is very committed to ensuring the overall safety and soundness of the financial system. He believes in an anticipatory approach to legislative issues and favors carefully analyzing public policy considerations and then acting to resolve problems before a crisis develops. Chairman Gonzalez's comments also made it clear that he will seek to work closely with all Committee Members, and that under his leadership the House Banking Committee will actively reassert its legislative responsibilities. Thus, interested parties are likely to find that a new era of Banking Committee activity has begun.

Although many of the Chairman's comments on structural reform and related issues are highlighted at the outset of this article, we think that readers will benefit from the insights gained from the following summary and selected excerpts of his remarks during this interview:

On whether this is the time for more comprehensive legislation:

"Yes" . . . [notes he suggested this in his goals for the Committee from the very first.] "I stated that my aims and objectives would try to be that the days of the Banking Committee of the United States House of Representatives being a passive or a reactive committee are gone; that I would want to bring it . . . to the threshold of the 21st century."

My most anguishing moments on this committee [have been] to see these burgeoning issues arising from the midst of our society and outside of our country and we're acting as if we were impervious or absolutely unaware. So, I've said that I would want to revisit [comprehensive restructuring] as a matter of priority as soon as we have [FSLIC] off the front burner. In fact, I said that what I want to have is not a two- or a three- but a four-front burner cooker—and one of the things would be bank powers, or depending on the point of view, it's bank powers of deregulation. . . ."

On bank powers generally:

"I consider the question of bank powers the fundamental issue. . . . the Banking Act [of 1933] . . . set the . . . line between clear banking activities and commercial activities. But the world [has changed]; you've had 6

or 7 new worlds since [then] and in the banking field in particular and in [related financial services areas]. . . ."

On some people still saying "the time is not right" for legislative action even though the need for broader structural reform is widely recognized:

"Oh, of course, it's overdue. Not only is it ripe, it's past ripe. It's been needing Congressional attention because the Congress is the national policy-making body. What's happened though, in my opinion, is that the failure to act on the part of the fundamental committee—the Banking Committee—has been to create a vacuum, which has been partially filled by the regulators. This was seen in the non-bank banking area [which] the Congress has still yet to define . . . that's part of your bank powers issue. And so what happened, the Comptroller came in [and] advised [Congress about] four years ago, 'if you don't act, we will [do] something,' so . . . you ended up with Sears and JC Penney's [having] non-bank banks [and] they were grandfathered. We got bogged down three years ago [on] when do you grandfather [and] when you don't, and we ended up in nothing . . . nothing was produced by the House."

On such piecemeal attempts to legislate:

"But the thing that I agonized over was that in all fairness to the Members, they were placed in a position of being for or against deregulation. That wasn't the issue at all . . . it wasn't deregulation—it was how do you deregulate?" He continued commenting on the need to know what are proper structural changes and safeguards and pointed out how the "lines have become blurred" using the securities industry's offering banking services as example . . . and noted that "I think you have to have a definition here where you have policies, broad policies. To me it isn't a question of Glass-Steagall or no Glass-Steagall—it's a question of [what should be retained from] Glass-Steagall—half of it has been vitiated with time and opinions and practices."

On the House Banking Committee's responsibility to legislate:

He said that if the Committee does not act, "either the regulators and the courts or another Committee will move in [to fill the void]." Also, during the interview he indicated that the Committee should be actively legislating as . . . "this is what we're supposed to be doing. That is—legislating."

On how Congress will deal with "Europe 92," Japan and broader structural reform:

He noted that Congress in effect has not spoken out on this, but that he has been concerned for 10 years . . . and expressed frustration at the lack of prior hearings. He also stated his belief that if Committee Members are adequately informed, they will take the correct action . . . "I think essentially if they can see something that is beyond dispute as far as evidentiary facts are concerned—they'll do the right thing. But they don't know—we've never had hearings on these [broader] issues. And so what I've wanted to do . . . was at least set the groundwork this year and possibly look into some kind of structure legislation for the next session at the latest. If possible, I'd like to expedite it, and I have some plans. . . ."

The Chairman also noted that his initial hearings when Congress convened had the theme of the state of the economy and the safety and soundness of the banking system . . . and that this issue is "one that we're going to have intensive consideration of and try to forge some policy that would evoke some consensus and that means that we



[must] have a lot more presentation from the regulators [and] from the industry than we have had so far. But, that is on the program—on the agenda."

On subsequent structural reform hearings:

"Well, we have to go back and pick up the fundamentals as they present themselves to us now in lieu of the fragmentary deregulation or re-regulation that we've had. What I'm seeking is to have some cognizance of the different structural components in our financial institutions. There are many who are interested in the higher reaches of international transactions. The majority are not, and we will have to contend with a dual banking system. You have the states out there. And so, the big task is to be able to get a consensus as to how we can define the proper [scope] without intruding or denying or unjustly depriving any one sector of any freedom to engage in the market activities they [should] have access to."

On whether he is clearly in favor of a comprehensive approach to reform:

"I am."

On whether he will offer a comprehensive bill:

He noted, "The reason I haven't is that I don't feel that I'm prepared because [of] what we've had by way of testimony in the past, or what we've been able to gather . . . [is] so fragmentary . . ." and that it is his "hope that by the time we get into the late summer we will have had some vision as to what would be the general outline of possible, potential legislation."

On whether comprehensive reform legislation can be enacted this Congress:

"I think that [depends on] how it's done, how it's presented and how well informed we can keep Members and make available to them some background for making a judgment. [Then,] we could work with pretty good dispatch. Yes—I'm very optimistic—but . . . we just don't know enough right now. We know that we've got to do something, that we've got to accept the changes that are upon us—they've enveloped us. And we've got to have something other than this jungle out here with the ultimate decision going on a judicial basis of settlement instead of some [Congressional] policy . . ."

"I've always believed that every man should have his idea and then let the majority decide. You sell it or you don't . . ."

On whether Chairman Dingell of the House Energy and Commerce Committee will present a legislative roadblock:

He noted they talked even before he was formally selected as Chairman; that they do not intend to interfere with each other's Committee jurisdiction; that whatever philosophical differences they might have can be worked out on the House floor (i.e. by voting) . . . and that he expects they can work matters out "amicably," especially given sequential referral to other committees.

On additional deposit insurance reform:

He noted that given the FSLIC crisis that had developed, there really was no alternative but to act. The key question was whether they could act in time and prevent chaos. He said, "Unlike most every other country, we have allowed this system of deposit insurance to grow. And you can see how it can get so diverted and how it can get so intertwined with what . . . never was visualized as Congressional intent. [For example,] you see the efforts of so many people that think they have a God-given right to the insurance fund and to do what they will with it. And so, deposit insurance is another area

that we'll have to revisit . . ." and how brokered deposits should be dealt with. The Chairman also noted the need for further information before knowing the precise elements of reform in the deposit insurance area, but again stated, "It does have to be revisited from a substantive point of view; a statutory point of view."

On the need to act before crisis:

"Well, it seems to me that [it's] quite disappointing that we've reached a point in our country that you can't get anything unless there is a crisis . . . [M]y fundamental rule . . . of what I call legislative advocacy [is to be] anticipatory. Anticipatory legislation, anticipatory action; not wait until you are enveloped in a crisis."

On money market funds and possible jurisdictional issues:

" . . . for instance, I think we're going to have to visit the money market [issue] . . . that's 23% of your total deposit money . . . in this country and that's a lot of money. It's mutual, uninsured money market funds." With regard to whether the money market question will present jurisdictional issues for the Banking Committee, he noted, "Why? That impacts the safety and soundness of banks . . ." He also observed that he asked FRB Chairman Greenspan earlier if he intended to do anything about it and Greenspan said "no," and considered that issue "to be a loose cannon."

On putting depository institutions' activities with more risk in separately capitalized subsidiaries:

"That's the issue pending right now . . ." He noted how some banks are involved with securities, and that FRB Chairman Greenspan had discussed with him how firewalls and conditions could be imposed . . . and that the question is, "how can you ensure that they are still not playing with insured funds? That's my worry. Because I'm thinking of the safety and soundness and the maintenance, as far as we can, of the insurance funds system which is not only under threat in the case of FSLIC, but I think FDIC."

On whether there can be adequate "firewalls" and insulation of the insured depository:

"It depends on how they build in those firewalls . . . So, these are areas . . . that . . . are part and parcel of your overall bank powers and [structural issues] . . . Well, somewhere, somehow you [must] define an American bank's ability to compete. There is no question about it, the traditional banking services field is now littered with securities companies, [for example] . . . So the banks do have a legitimate complaint. . . ."

On cross-marketing of products and services:

"I think it's inevitable [given] the forces . . . in the market. But, remember the one little thing there that we overlook in structuring is the dual banking system and the state lines. Now [many] banks would like to obliterate state lines, but how do we draft the legislation in order to respect the continuing existence of the dual banking system in the United States? . . . This is another factor the Europeans don't have to face. They have a unified, centralized type of system and we don't. . . ." [He also noted regional difference in many areas and that it has been hard to reach consensus on many types of issues.] "Congress is a multiple body. The only impediment I see to defining some enlarged bank scope of activity is that, and frankly, I don't think it's insurmountable. But, I think it does require some presentation of evidence and hearings so we

can evaluate it . . . [and] be . . . more knowledgeable than we are now."

On state and federal depository charters and separate bank and thrift charters vs. a single federal or state charter for all depositories:

He expressed concerns, especially with FDIC's role in setting standards for state chartered institutions and noted the relationship to federal deposit insurance, and indicated he would like to have the Committee "visit that" area.

On whether other Members of the Committee are ready for comprehensive reform:

"I think so." The Chairman also noted how he always seeks to get Members' views on a bipartisan basis and does not act unilaterally. He said, "Every one of the Members, the newest to the more veteran in his own way or her way, wants to be proud to belong to the committee. Nothing makes any Member feel prouder than to know that they are perceived as accepting [their legislative] responsibility and proceeding to [do] the best they can." He also pointed out the need to begin working on these issues noting that: " . . . while in the midst of this [FSLIC crisis] we [should] still be dispassionate enough to conceive the need to get into these other areas so that we won't be involved in another crisis and then react in such a way that no matter what we do it's too late."

On the Committee's priority agenda items:

He cited third world debt as the next immediate issue, which he called characterized as "the other loose gun." He also observed, "Incidentally, we live in a world today where those external forces over which we no longer have any control can impact no matter what we do here, like interest rates. I don't care what anybody says, I don't think the Fed has complete power over that any longer. . . ." and said that "I think we have to address fundamental things that have long been unaddressed. . . how we manage debt is just as important as what you have by way of that structure. And, we've had substantial changes in [debt] management since 1952. . . . And, the world keeps spinning. It's not waiting for us to hold an election. It's going to keep on going like Europe itself."

#### ON TIMING OF FSLIC BILL:

He explained how he is working hard to move it as quickly as possible, but that other Committees are also considering this legislation.

#### THE NEW CONGRESSIONAL CLIMATE

The FSLIC bill may prove to be the opening round of the Congressional battle to restructure the nation's financial services industry and its regulatory system. This legislation, which is expected to be completed shortly, contains significant structural changes. However, structural reform is now high on the legislative agenda, and serious Congressional examination of these issues is planned for later this year.

Thus, a new era has apparently begun in the banking financial services legislative area. Fundamental changes are occurring in Washington's political climate because of the FSLIC crisis and other factors—such as heightened media interest, concerns over competitiveness and leadership changes in the Banking Committees. Furthermore, The press is beginning to link Congressional ethics with undue lobbying influences that produce "special amendments." Legislators' fear of adverse media coverage has limited many firms' abilities to obtain amendments

to the FSLIC bill, and has undercut the viability of the old "piecemeal" or incremental gain approach.

Thus, the FSLIC bill has broken the longstanding "gridlock" that has prevented modernization of banking-related laws. Congress finally seems willing to reassume its responsibilities for setting basic financial services policies. The degree to which "times have changed" is illustrated by the fact that the House Banking Committee Chairman, Congressman Gonzalez, recognizes the need for comprehensive reforms and hopes to pass significant legislation next year after carefully examining policy concerns. (See accompanying feature story on Chairman Gonzalez.) Other new Congressional leaders, such as Senate Banking Chairman Riegle and Congressman Annunzio, who now heads the powerful House Banking Financial Institutions Subcommittee, also appear likely to take more active positions.

The key questions now appear to be how structural reforms will be shaped, how fast Congress can act and whether companies favoring comprehensive pro-competitive reforms can readjust their strategies in time to take advantage of the opportunities that will exist.

When action does occur, many critical issues, which were consciously deferred during the current FSLIC debate will be ripe for consideration, including:

- Bank "powers."
- Affiliations and ownership.
- Banking and commerce.
- Concentration.
- Deposit insurance reform.
- Regulation of depository institution holding companies.

Given the changing political climate, significant and prompt shifts in corporate strategies should be expected. Old strategies, whereby companies have premised their political programs on the view that Congress was unwilling or unable to act, may have become obsolete. Corporations can no longer assume that it is safe to gear their Washington legislative efforts as "holding actions," where they pursue narrow amendments, "grandfathering" or marginal gains through judicial or regulatory interpretations.

#### LOOKING AHEAD: RISKS AND OPPORTUNITIES

"Danger Zone" Scenario—Completing the FSLIC bill, other items on the Congressional agenda, and the recognized need for further study should delay passage of broader reforms until next year at the earliest. Unfortunately, the political climate is such that when additional legislation is considered, it could be shaped so as to contain many onerous and/or regressive provisions. This might occur due to opponents' efforts and/or the apparent widespread lack of understanding of how reforms should be crafted.

The FSLIC bill has demonstrated that Congress is willing to limit depository institutions' powers (including those obtained via state-charters) and is now emphasizing greater regulation and tougher enforcement. Such Congressional restrictions appear to be intended to promote greater safety, soundness and stability in the financial services sector and to limit the risk of another taxpayer bailout. In part, these restrictions can be attributed to the "crisis" atmosphere and the accelerated manner in which the FSLIC legislation has been considered. Thus, they may reflect more of a decision to err on the side of caution than a lasting commitment to "re-regulation" and further compartmentalization.

In any case, it is clear that many of the FSLIC bill's most regressive and restrictive provisions were conscious policy choices. Its legislative debate showed that inappropriate judgments can be made when legislators (and influential members of the press) are misinformed and have fundamental misperceptions. Many simply do not understand the policy issues involved and, therefore, lack a basic framework for public policy analysis.

In addition, opponents of pro-competitive legislation are continuing their efforts to retain arbitrary statutory advantages. Many reportedly sense the opportunity presented by the present climate in which numerous legislators are misinformed. These forces may well consider the forthcoming legislative action as a "now or never" situation. Their fortunes may be increased because of the growing likelihood of a post-FSLIC "technical corrections bill." The need for such legislation, as well as the desire for a vehicle to satisfy consumer groups' agendas, means that it could serve as a mechanism for a "preemptive strike," setting back opportunities for broader, pro-competitive reform. This "danger zone" scenario assumes aggressive lobbying by opponents and continued Congressional misunderstanding. This could easily lead to legislation that provides for only very narrow "bank powers," closes Section 20, restricts "non-bank bank" activities, limits bank holding company insurance activities, further restricts unitary thrift holding companies and increases compartmentalization in the financial services industry.

"Window of Opportunity" For Comprehensive, Pro-Competitive Reforms—Although there is a risk of regressive legislation in the near term, the Congressional schedule is such that interested companies should have time to prevent setbacks. The question will be whether enough firms recognize the new political climate, including the potential risks they face, and whether they promptly deploy adequate resources to their Washington legislative operations to prepare for the necessary defense and offensive actions.

Significantly greater educational efforts, as well as enhanced political activities will be required. Above all, it is critical that Senate and House Members, the press and other important parties in this debate become better informed on the facts, policy issues and options involved. The primary challenge for the FSC and its members in the months ahead is to seize the opportunity to help these policy-makers understand that broad reform (with a "level playing field" and "two-way street") is essential for the continued safety and soundness of our financial system. Those who favor modernizing financial services laws must show Congress that reforms can be consistent with greater safety and soundness and less risk to federal deposit insurance, which also allowing institutions greater flexibility, efficiency, affiliation rights and other authorities without unduly restricting depository institution holding companies.

Serious educational programs will require considerable lead time, but the opportunity still appears to exist for implementing such efforts. Most issues in the restructuring debate are simply not that difficult if they are presented in an organized, straightforward manner. A much more solid foundation for intelligent legislative action could come from a series of prepared briefings which focus on policy issues and options instead of specific legislative provisions, con-

ducted well in advance of the actual Committee drafting sessions.

Stated bluntly, such efforts are essential and, represent the only way of ensuring reasonable and progressive policy decisions based on informed judgments. We finally seem to have reached the point when it's "put up or risk being put down." There simply will not be time to help educate enough policy makers effectively unless an enhanced educational program is begun promptly. Even now, the FSC is ready to pursue a special educational and political program.

#### FSC'S "PROJECT 92"

The FSC's will be proposing a special program to conduct the necessary targeted educational and related political efforts at its May 23rd Board meeting. This program is designed as a constructive approach for helping shape future financial services legislation.

"Project 92" is intended to build upon the core group of Congressional leaders who understand the key policy issues and options in financial services reform, who can provide the proper direction and who will make informed judgments when drafting legislation. We believe that laying an educational foundation based on greater understanding of the policy questions is essential for progressive Congressional action. Informed and knowledgeable decision making leads to legislation that is far more acceptable and workable from a practical business perspective.

#### OTHER CONSIDERATIONS

Timing and various other factors are still unclear. For example, action on the FSLIC bill had been expected to be completed by Memorial Day. However, consideration by other committees, especially the recent changes by the Ways & Means Committee to shift the funding "on budget," is expected to delay the process somewhat. Moreover, the Administration's plans and priorities for additional reforms have yet to be announced; the Banking Committees must deal with other important issues such as housing and third world debt; and the marketplace's response to the new FSLIC bill's changes (including its tremendous rapid thrift industry consolidation) are yet to be fully understood or appreciated.

[From the Institutional Investor, April 1989]

#### NOT SO FAST

(By Representative Henry B. Gonzalez)

Expanding the powers of commercial banks is a leftover project from the plate of the 100th Congress. The Banking, Finance and Urban Affairs Committee must return to the issue and come up with a long-range solution during the current Congress.

Unless the 101st Congress addresses the question, it is certain that the regulators and the courts will continue to extend their reach, leaving a crazy-quilt of ill-thought-out powers and loose regulation—with virtually no thought as to how powers can be shaped so the public interest is served.

The editors for this publication suggested "The Outlook for Banking Reform" as a title for this article. A broad enough title, but is it "reform" we are talking about, or another version of that old game of cutting up the economic pie?

#### THE PUSH FOR PROFITS

Webster's dictionary tells us that "reform" means "removing faults and de-



fects" or "putting a stop to abuses or malpractices." In reality, what we are talking about is not reform, but giving commercial banks new powers to reach into other sectors of the economy—new profit centers beyond the traditional banking activities. Like all proposals for deregulation, the ideas are cloaked in layers of rhetoric about "competition" and claims of cost savings to the public—something that has yet to be proven despite years of testimony and studies in all shapes and forms.

The push is driven by a simple desire for power and profits. That is neither improper nor un-American. But the motive should be clearly understood by legislators and the public. It should not be obscured by flag-waving statements about competition and reform. The name of the game is power.

As chairman of the banking committee, I do not intend to be King Canute, trying to hold back the tide of new powers and new profits for banks. I do hope to be in a position to raise the necessary questions, to seek hard economic proof that deregulation would be a positive benefit and to make certain that all safeguards are firmly in place.

Six months ago it appeared that a comprehensive banking bill would emerge, as our former chairman predicted, "before the snows melt."

Two events have obscured this optimistic timetable:

The critical need to deal first and speedily with the crisis of the savings and loan industry so that the American taxpayer is not burdened with even greater costs;

The precipitous action of the Federal Reserve Board on January 18, 1989, that stretched its interpretation of the Bank Holding Company Act to grant banks—by administrative fiat—broad powers to underwrite and sell securities.

The Federal Reserve Board—filled with Reagan appointees from top to bottom—undoubtedly felt it was striking a blow for the "Free Banks Now" movement. In the end, the action may have awakened a lot of people to the dangers of banking deregulation. This high-handed action—taken before the new Congress had organized—reminds us just how fragile laws and congressional intent can be when decisions are made by regulators who appear more as advocates than objective administrators. It reminds us that Congress must write laws and regulatory strictures tightly or face runaway agencies willing to gamble with the public interest on behalf of their industry constituency. The agencies are always on Capitol Hill urging "flexibility" and "administrative discretion." Too often, Congress caves in to this philosophy, forgetting that the agencies—when the right administration is in sway—are all too willing to abuse the discretion.

#### THE FED WENT TOO FAR

In my opinion, the Federal Reserve abused its discretion in interpreting the Bank Holding Company Act when it allowed bank holding companies to go into the securities business. Not only did it go beyond the law, but it used up buckets of good will in the Congress.

Many who are essentially neutral on the question of new powers question the Federal Reserve's heavy hand in usurping a role that clearly belongs to the legislative branch. We will want a clearer understanding of the Federal Reserve's ability to read the law and congressional intent before we grant them any new authority to pass out powers to banks.

Some have excused the Federal Reserve's action on the grounds that Congress has been slow in enacting new banking legislation. The impatience of the banking community is well documented. The issues, however, are complex, and they affect a wide segment of the economy. The delays in congressional action reflect the complexity and divisiveness of the issues. In a democracy, delays are not uncommon on volatile issues; this is not always bad.

Even if it takes time, we must construct an airtight regulatory structure around any new powers granted to banks and bank holding companies. The Federal Reserve Board, in making its January announcement, attempted to assure the public that its regulations would establish fire walls between the banks and the securities subsidiaries.

Just how strong these administratively constructed fire walls may be remains an open question. But it is an immutable fact that a regulatory body that can issue regulations can also modify and eliminate these same regulations. The fire walls and the regulatory structure need to be constructed by statute, not by administrative orders that can be rescinded as quickly as they are printed.

There can be no confusion in the minds of the public or the regulators that the insured entities—the banks—are separate and distinct from the uninsured securities subsidiaries that might be set up under any expanded powers legislation. We don't want the unsuspecting and unsophisticated investor being duped into thinking that his or her purchase of stock is somehow insured by the federal government. We want to make certain that the fire wall is thick enough to prevent federal insurance funds from being used, in any manner, by the securities subsidiary. This has to be ironclad.

In the early 1980s, Congress loosened restrictions on savings and loans and allowed these federally insured institutions to move into new and riskier areas of lending and investment. Some states, such as Texas and California, adopted even more liberal statutes, opening the door wider to speculative lending. All the while, federal insurance funds were backing these institutions.

Today the nation faces the enormous task of cleaning up the mess that has been left in the wake of this high-flying deregulation mania. Even the most conservative estimates indicate that the bill for the cleanup will be no less than \$100 billion.

It is true that commercial banks have more experience in handling diverse portfolios than was true of savings and loans in the early 1980s. Undoubtedly, the commercial banks have a deeper reservoir of management expertise. So it is perilous to draw hard and fast parallels between the two segments of the industry.

Nonetheless, we cannot ignore the tough lessons of the savings and loan crisis as we consider new powers for bank holding companies. The American public expects us to learn from mistakes, not blindly repeat them.

In 1982, when the Garn-St Germain legislation was before the rules committee in the House of Representatives, I testified in opposition to granting new powers for savings and loans. I had questions about the new activities, but my concern was centered on the fact that the legislation provided no new regulatory structure to accompany the new powers: I knew that S&L regulation was in sad shape. It seemed inconceivable that we would be adding new problems for the regu-

lators at a time when they were unable or unwilling to track even traditional activities of the institutions. History, I believe, bears out the folly of new powers without new regulation.

Clearly, the decision on what kind of safeguards and regulations are needed is the prerogative of Congress—not something to be left to the Federal Reserve Board. As we have learned in the savings and loan crisis, the insurance funds represent a tremendous contingent liability for the American public. It is Congress's responsibility to protect these funds and the public. We cannot properly delegate this to the unelected board of governors of the Federal Reserve.

It is my hope that the committee will examine each of the proposed powers carefully, making certain that the fire walls are solid and that we have a regulatory structure that can keep pace with change.

Expanded powers is an item properly on the agenda for the 101st Congress. The issue will be addressed.

Mr. Speaker, I then want to point out that in today's New York Times there is a very interesting article which appears, and I offer it for the RECORD at this point, page D2. It says, "First Soviet Bank Office In U.S. Is To Open Soon," byline by Michael Quint. This headline would say that the Soviets are going to have a bank. Actually it will be what they call a representative office, and it will be the first one scheduled to open in August, and that is under permission of the State of New York. They are not going to offer loans or borrow money or anything, but they are what they call representative offices, and their main purpose is to try to guide American investors and financial services in their dealings with business in Soviet Russia. I thought that would be interesting, because I think we want to look into it.

[From the New York Times, May 25, 1989]

FIRST SOVIET BANK OFFICE IN U.S. IS TO OPEN SOON

(By Michael Quint)

In the spirit of perestroika, executives for the Bank for Foreign Economic Affairs are preparing to open the first American office of a Soviet bank.

A Soviet banking presence in the United States can aid recent Soviet efforts to encourage foreign trade and foreign investment in Soviet enterprises. The absence of such a bank was so glaring that it was the first question raised in December at a roundtable discussion at a Soviet trade show in New York.

Banks from 50 other countries already operate more than 1,000 offices in the United States.

#### A LIMITED ROLE

The new Soviet office, authorized in April by the New York State Banking Department, will start by providing advice to American and Soviet financiers and smoothing the way for consultations between business executives from the two countries. It will be what is known as a representative office and will not be licensed to make loans, handle financial transactions or earn a profit.

"This is the way other foreign banks have started in New York," said Eugene V. Ulanov, who will head the office. He has been

involved in gold trading and international money markets for 36 years.

Before the bank advances to branch status, which would give it authority to make loans and offer credit guarantees, "we want to understand if it is commercially useful," Mr. Uljanov said.

Without painting too ambitious a picture of what the five-member office can accomplish, Mr. Uljanov said its activities could include helping American banks participate in financings for business ventures in the Soviet Union and offering advice on foreign currency transactions in the Soviet Union.

The office is not scheduled to open until early August, but Mr. Uljanov said he was already far more busy than he expected. "I did not understand that office furnishing and insurance could be so complicated," he said.

One New York banker said of the Soviet plans: "They have been talking about opening an office here since the previous period of détente in the early 1970's. Those plans were derailed when relations between the two countries deteriorated. But they are probably better equipped now to deal in this market because of perestroika and the moves to decentralization in the Soviet Union."

#### A WELL-KNOWN BANK

Until late last year, the Bank for Foreign Economic Affairs was known as the Bank for Foreign Trade, and was the only Soviet bank allowed to handle foreign currency financings. To American bankers active in the Soviet Union and to traders in currency markets, the Venesheconbank, as it is called in Russian, was the best-known bank in the country. Other well-known Soviet-owned banks, like the Banque Commerciale pour l'Europe du Nord in Paris and the Moscow Norodny Bank in London, are chartered outside the Soviet Union.

With economic decision-making with the Soviet Union being decentralized and other banks being allowed to handle foreign currencies people involved in New York banking estimated that the Bank for Foreign Economic Affairs was now more willing to invest in New York to maintain its premier position in foreign transactions.

Three Americans will be among the five people working in the office on Madison Avenue at 54th Street. The office also represents the Donau Bank, an Austrian-chartered bank owned by the Soviet State Bank and the Bank for Foreign Economic Affairs.

#### THE PICTURE IS BECOMING CLEAR

The **SPEAKER** pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. BENTLEY] is recognized for 60 minutes.

Mrs. BENTLEY. Mr. Speaker, before making my remarks I would like to make an observation.

I have been reading the news accounts about the Senate vote on the FSX and I offered up a little prayer, that those who voted for the FSX giveaway would not have to regret their vote as some have on voting to give away the Panama Canal.

I fervently hope we will not see the Japanese in the commercial aerospace industry—although I know the Japanese Government has a stated goal of getting in the aerospace business.

Despite the claims of friendship and help—their goal becomes more obvious in what some businessmen are calling an economic war. They are getting in so many things, but how they operate is becoming clear to more and more Americans.

A Wall Street Journal article by Stephen Yoder on August 28, 1988, explained that "around April each year the Japan Ministry of International Trade and Industry [MITI] grinds their policymaking machine into action." They consult with business, academic, and industry, and by the next April put their plan into action.

MITI has targeted American industry in a well-organized plan and we can now see the results of some of the plan from past years.

Yoder's article explained "The Erosion of U.S. Market Shares."

The percentage of the U.S. share of the domestic American market from 1970 to 1987—just 17 years—went from 100 percent to zero in phonographs pioneered by the United States. The estimated value of the sales is \$630 million.

In color television sets pioneered by the United States the market went from 100 percent to 10 percent in sales of \$14.05 billion.

In audio tape recorders pioneered by the United States the market went from 40 percent to zero percent in sales of \$500 million.

In video cassette recorders pioneered by the United States it went from 10 percent to zero percent in sales of \$2.895 billion.

And, telephone set pioneered by the United States it went from 100 percent to 25 percent in sales of \$1.657 billion.

I wonder how much we lost in taxes from that loss of that manufacturing capability?

Now we have some idea of the MITI plan for the next few years. We must also take into account other actions of the Japanese which also affect our future.

The article follows:

[From the Wall Street Journal, Aug. 24, 1988]

ALL EYES ARE ON MITI RESEARCH WISH LIST  
(By Stephen Kreider Yoder)

TOKYO.—This is prime season for MITI-watching.

Every August, Japan's Ministry of International Trade and Industry sends budget proposals to the Finance Ministry. Many items on this year's wish list, ranging from computers that mimic the brain to newfangled aircraft, will reappear in April as increased funding for existing projects or as national research programs.

"It's a critical time at MITI," says a MITI official.

#### NEW STRATEGIES

It is also a critical time for the West to keep its eyes on MITI. New MITI policies often reflect new strategies in Japanese industry. Past budget proposals translated into programs that bolstered Japanese competitiveness in semiconductors, fiber optics

and supercomputers. This month's policies could help Japan challenge the U.S. in important future technologies.

"It's something people ought to be paying a lot more attention to," says Charles Cook, vice president in Tokyo for Monsanto Electronic Materials Co. Like many U.S. businessmen here, Mr. Cook believes foreign companies should be "putting in place what's necessary to capitalize on" MITI projects.

MITI won't release full details of its budget proposals until tomorrow. But officials eagerly discuss their pet plans in hopes of garnering the kind of public support that persuades Finance Ministry bureaucrats to dish out funds.

A sampling of this year's technology proposals:

**Artificial Intelligence:** Some Japanese computer experts feel Japan lags the U.S. in creating machines that mimic patterns of human thought rather than merely repeating simple calculations like today's computers do. MITI wants Japan's computer experts to convene next year to study promising new approaches, such as computers using optics or biological matter, and "neural-network" computers, which attempt to duplicate nerve patterns in the brain. Such study groups often lead to government-industry consortiums to develop technology.

**Superconductivity:** MITI Wants to boost research on superconductors, materials that conduct electricity with no resistance. A recent MITI report calls for "aggressive" research to refine superconductors, devise ways of mass producing them, and to strengthen development already under way on superconducting power plants, transistors and computer chips. Much of the new funds will go to the brand-new laboratories at Tokyo's International Superconductivity Technology Center. "We want to make this the Mecca of superconductivity research," says Kensuke Yamamoto, a MITI official overseeing superconductivity policy.

**Hypersonic Planes:** Ever since President Reagan in February 1986 called for U.S. development of an "Orient Express," a futuristic aircraft that would fly from New York to Tokyo in two hours, MITI's aerospace mavens have been itching to get Japan into the action. MITI is expected to request initial funds for a 40-billion-yen (\$30 million) eight-year project to help Japanese companies develop engines and airframe materials. Companies such as Mitsubishi Heavy Industries Ltd. and Ishikawajima-Harima Heavy Industries Co. are likely recipients. Though MITI officials vow that Japan doesn't plan to go it alone in hypersonic planes, some Western observers warn that Japan could challenge U.S. leadership in aerospace. But Japanese skeptics say the Finance Ministry may reject the project as too risky.

**Deep Underground Construction:** With land prices sky high, MITI wants Japan to move to what it calls the "new frontier," deep underground. MITI wants to develop efficient methods to cut and maintain 150-foot-high domes more than 150 feet under cities. (Tokyo's subways are 30 to 60 feet deep.) Inside the caves would go electric-power generators, water-treatment plants and factories. The ministry wants to fund a feasibility study next year and start a seven-year national project in 1990. The project could give an edge to Japanese construction companies, which already have some of the world's best conventional tunneling technology.



Biotechnology: MITI will request about two billion yen (\$15 million) for the Human Frontiers Science project, which will give grants and fellowships to scientists around the world for biological research. The objective is to establish Japan as a nation that doesn't just take the research of others but does its bit to support the world's scientific work.

Textiles: Japan's textile mills are battered by foreign competition. MITI wants to build "resource centers" to help textile concerns develop the technologies and marketing techniques to fight back.

The ministry's proposals are a product of the policy-making machine that grinds into action around April, when each MITI department submits project ideas that bureaucrats have hashed out with their contacts in industry and universities. Early this year, for example, officials in the industrial-electronics division began sounding out industry experts for ideas on future computers that approximate human traits such as learning and reasoning. While Tokyo University, Fujitsu Ltd. and others are developing neural-network machines on their own, the industry and MITI want Japan to pool its efforts to identify the best technology.

By June, "neuro-computers," as the Japanese call them, were on MITI's master list of projects to hone into budget proposals. Into August, bureaucrats responsible for electronics cajoled other MITI officials into backing their pet projects, and ironed out financing. By mid-August, the proposal was finished.

On Aug. 31, MITI will submit the neural-network proposal to the Finance Ministry along with dozens of other proposals. Japanese companies and academics have been deeply involved in the process. Thus when the Finance Ministry approves the plan by late December—as it is expected to—companies and influential professors will be fully on board. When the project starts in April, the organization probably will include such computer heavyweights as Fujitsu, NEC Corp. and Hitachi Ltd.

#### EARLY INVOLVEMENT URGED

"By the time the proposal meets the light of day all the companies have had their say," says an American businessman in Tokyo. Foreign businessmen should develop rapport with MITI and get involved early on in the project-creation process, he says. "You have to get in at the beginning before the local industry gets lined up."

But foreign companies largely outside the budget process, often by choice. MITI is increasingly willing to let Japanese subsidiaries of foreign companies participate in its research.

Many American businessmen here complain that although their U.S. home offices fear Japanese competition, they tend to ignore MITI's technology policy and decline chances to join the government-industry process that has helped hone Japan's competitiveness. MITI has invited foreign companies to join Japan's superconductivity research lab, for instance. But only W.R. Grace & Co. has shown interest, and no foreign company has joined.

In an April 16 issue of *Parade* magazine, Jack Anderson has an excellent article, "Who Owns America?" Although the Japanese do not own everything listed, they certainly have a hefty share.

He pointed out that—

Today, foreign investors own more than \$1 trillion worth of U.S. Government securi-

ties, corporate stocks and bank deposits—an increase of 192 percent from 1980.

Since 1977, foreign ownership of U.S. factories, banks, businesses and buildings has more than quadrupled.

They own 9 billion dollars worth of real estate in Hawaii, and have sent up the market price of housing in Honolulu by 50 percent in the last 2 years.

The article follows:

[From *Parade* magazine, Apr. 16, 1989]

#### WHO OWNS AMERICA?

(By Jack Anderson)

In the westerling hunger for land, America's pioneers conquered the wilderness, traversing mountains and rivers to settle the frontier. Now their descendants are selling off that hard-won heritage to foreigners with fat purses. Americans whose forebears cleared the wilderness are trading their birthright for unprecedented profits. And with each sale, they lose a little control of their destiny.

Eleven years ago, I sounded a national alarm that foreign millionaires were secretly buying up American farmland with devalued dollars. I dug out the disturbing details from land offices across the country. I found that foreign investors, using dummy corporations, were acquiring title to land that American families had been tilling for generations.

An alarmed Congress investigated and called for action to keep ownership of U.S. property in U.S. hands. A law was duly passed requiring disclosure of foreign ownership of farmland—a law that incredibly didn't include urban property.

But while the new law increased the documentation of farm purchases, it didn't stop the sales. In recent years, the selling of America has continued remorselessly, except that it is no longer limited to farms in the heartland. Today, too, foreign investors no longer bother to conceal their identities; they have found Americans eager to sell their land and resources for a fistful of dollars.

These days, the Japanese own \$9 billion worth of real estate in Hawaii. Japanese millionaires have sent up the market price of the housing in Honolulu by 50 percent in the last two years. "They're buying up our homes and our farmland," laments Honolulu's Mayor Frank Fasi. "Many Hawaiians can no longer afford to live here." He notes that the Japanese now own 10 of Oahu's 14 private golf courses and 40 percent of the hotel rooms in Waikiki.

And the towering buildings that form the skylines of many U.S. cities are owned, in increasing percentages, by people in London, Tokyo and Toronto. About 64 percent of the real estate in downtown Los Angeles and 39 percent of that in downtown Houston is foreign-owned. One-third of the office space in Minneapolis belongs to Canadians. Toronto's Reichman brothers own 8 percent of Manhattan's office space. Britons own at least a dozen of the office buildings in the high-rent triangle formed by Pennsylvania, Connecticut and New Hampshire Avenues in the nation's capital. Control of major U.S. corporations, from Purina Mills to Standard Oil of Ohio, also is falling into foreign hands.

The purchases are accelerating. In the last five years, foreign ownership of American farms, factories, banks, businesses, buildings and other assets has doubled. Last year alone, direct investments leaped by 16 percent. U.S. Commerce Department statisticians, who keep a loose account of the pur-

chases, estimate that foreign investments now exceed a staggering \$1.5 trillion.

While the Canadians and British still own more American assets than other foreigners, of late the most visible financial invasion has come from Japan. Japanese direct investments last year increased by 45 percent, and they continue to buy at the same rate. Shuwa Investment Co. paid \$620 million for Arco Plaza in Los Angeles. "U.S. real estate is a bargain compared to Japan," said Yoshio Yamashita, vice chairman of Shuwa. Osamu Imai, information officer at the Japanese embassy, concurred. The slumping value of the dollar, he explained, has doubled the value of the yen in the United States since 1985 (as well as increasing the value of British, German and other currencies). Japanese investors are purchasing U.S. property, Imai said, "for purely economic reasons."

Yet these purchases also reflect a subtle change in Japanese-American relations. The Japanese, whose devastated homeland was rebuilt with American aid, now surpass the U.S. as the world's economic leader, while threatening to overtake us as the world's No. 1 technological power as well (see "Why Japan Can Buy Us Out").

Thus, as the U.S. runs up a massive public debt, the Japanese are piling up cash reserves—much of it spent on acquiring healthy businesses and real estate abroad. They, as well as other foreigners, are taking advantage of the economic climate and shocking lack of political vigilance to buy some of our most valuable resources. Consider these facts:

Foreign owners already control some U.S. industries, such as cement and consumer electronics. They own huge shares of other industries, including automobiles, chemicals and machine tools.

It is almost impossible for the public or Congress to evaluate information on who is purchasing what or to realize the magnitude of the buyout, because documentation is spread through at least 16 agencies. Even the Commerce Department has conceded that its latest estimates of aggregate foreign investments over the last 10 years contain a \$200 billion discrepancy.

Here in our own backyard, Japanese-owned plants are producing better goods at lower prices than American-owned plants can manage. Plain and simply, Japanese management is more efficient. The Japanese also have their own way of doing business. They call it *keiretsu*. A fraternal network of companies with strong historical links forms around a major bank. The affiliated firms deal closely and quietly with one another, purchasing each other's supplies and services. Soon, American firms won't be able to compete; they will have to revamp their methods or go out of business.

The U.S. market is wide open to foreign investment. Yet some of the same countries that are investing heavily in America have raised barriers to U.S. investment in their own economies.

States actually bid against one another, offering incentives and subsidies, to attract foreign investors. More than 40 states maintain overseas offices to solicit investments.

Over the last decade Americans have consumed more than they have earned. They are now selling off their assets to pay for their overindulgence. Foreign investors are lining up to pick up these properties at devalued prices. And, with few exceptions, they are buying established businesses, not building new ones. Eighty percent of their outlays in 1987, for example, were for exist-

ing companies. Already, foreign buyers have acquired such all-American companies as CBS Records, Purina Mills, Brooks Brothers, Celanese, Doubleday, Smith-Corona, Hardee's, Firestone, Pillsbury and Smith & Wesson. As Rep. John Bryant (D., Tex.) expressed it: "We are selling the family jewels to pay for a night out on the town."

Nearly one-fifth of all U.S. bank assets are now foreign-owned. The figure is higher in such banking centers as Los Angeles.

Nearly 3 million Americans already are employed by foreign-controlled companies, and the number is increasing. Thus more and more Americans are becoming economically dependent on foreign interests. For example: Foreign owners tend to use their U.S. plants as low-wage assembly lines and distribution facilities. Economic decisions affecting workers in Cincinnati and Milwaukee may now be made in London and Tokyo by owners far removed from the health, safety and welfare of their employees. Often, these faraway tycoons are able to negotiate concessions in return for situating in depressed areas—concessions that affect hiring practices, pay scales and promotions.

What are the implications of these facts? The CIA has warned that foreign investment can be a way to gain access to American high-tech secrets in the guise of commercial enterprise. Others argue that foreign ownership is leading to an alliance of American beneficiaries (businessmen and employees), politicians and foreign governments that could transform its own economic interests into U.S. policy—even when such policy goes against the best interests of this country. If foreign ownership of U.S. properties continues to expand at the present rate, foreigners will hold a mortgage on America by the late 1990s. This will give them virtual control over the U.S. economy. Already, for example, 155 Japanese firms, spending more than \$50 million a year, employ lobbyists to promote Japan's interests in Washington.

Recommendations to appease foreign interests have been welcomed at the top. When legislation was introduced by Representative Bryant to tighten controls over foreign investments, Congress suddenly was overrun by lobbyists, Americans all, who pleaded that the investments were good for America. They credited foreign investments with creating 3 million jobs, rebuilding cities, reshaping rural areas and bolstering real-estate prices. No less than James Baker, then Treasury Secretary, personally knocked on Senate doors to warn that the President would veto the measure.

Why are our political leaders abetting the buyout of America? I believe foreign investment has become a narcotic, and the politicians have become addicted. They have come to rely on foreign money to stimulate the economy, create new jobs and expand the tax base. Japanese investors finance 30 percent of the federal deficit. If they should stop their U.S. purchases, our economy would be plunged into a severe recession. The politicians have got this country so deeply in hock to foreign interests that they can't face the withdrawal pains—which might include risks to their own political futures.

It would be a grievous mistake to blame the Japanese, say, for our plight. We are responsible for our own destiny. But we need to understand why Japan is succeeding and why the United States is slipping. Most of all, however, we must tighten our belts, we must stop consuming more than we produce, and we must call a halt to the spending spree.

Here are some specific steps we can take: We must balance the federal budget and stabilize the government's finances. It won't do much good if our politicians engage in their usual sleight-of-hand—juggling figures and altering statistics until the budget merely appears to be balanced. Nor will it help much for them to raise taxes if they are going to continue squandering the revenue. They should stop the misspending and cut out the waste before they call for more taxes.

Foreign investments should be reported and policed. Every purchase of significant size should be screened to determine what effect it will have on America's security and commerce. And certainly Congress should adopt a policy of strict reciprocity: Foreign access to the U.S. market must be tied to American access to foreign markets. Finally, incentives and concessions to foreign investors should be restricted by law.

Eleven years ago, I blew the whistle when the gold rush began. Now I must blow the whistle again before it's too late. America, with its vast resources and endless expanses, is still the land of opportunity—opportunity for those strong enough to seize it. We still can avoid an irreversible erosion of our natural heritage. We must overcome our self-paralysis, revive the spirit of our forefathers, roll up our sleeves and reclaim our country.

#### WHO OWNS LOS ANGELES?

About 64 percent of the real estate in downtown Los Angeles is owned by foreigners, much of it by people in Tokyo, London, Bonn and Toronto. So is 39 percent of Houston, as well as a third of the office space in Minneapolis. Increasingly, the towering buildings that form the familiar skylines of our cities are being purchased by foreign investors who have benefited from the slumping U.S. dollar.

States actually bid against one another—offering incentives and subsidies—to attract foreign investors. Below is a breakdown, in billions of dollars, of foreign-owned plants, property and equipment in all 50 states and the District of Columbia, as of 1986.

Texas.....	\$40,324,000,000
California.....	37,017,000,000
New York.....	18,016,000,000
Alaska.....	15,134,000,000
Louisiana.....	13,562,000,000
Illinois.....	11,057,000,000
New Jersey.....	10,608,000,000
Ohio.....	9,530,000,000
Florida.....	9,487,000,000
Pennsylvania.....	9,293,000,000
Georgia.....	8,611,000,000
North Carolina.....	8,270,000,000
Michigan.....	7,272,000,000
South Carolina.....	5,744,000,000
Virginia.....	5,529,000,000
West Virginia.....	5,261,000,000
Tennessee.....	5,192,000,000
Oklahoma.....	5,172,000,000
Colorado.....	4,881,000,000
Minnesota.....	4,442,000,000
Massachusetts.....	4,038,000,000
Arizona.....	4,006,000,000
Kentucky.....	3,959,000,000
Alabama.....	3,586,000,000
Missouri.....	3,487,000,000
Washington.....	3,398,000,000
Wisconsin.....	3,187,000,000
Indiana.....	3,153,000,000
Maryland.....	2,931,000,000
Delaware.....	2,901,000,000
Wyoming.....	2,849,000,000
Utah.....	2,620,000,000
Mississippi.....	2,416,000,000
Connecticut.....	2,381,000,000

Kansas.....	2,158,000,000
New Mexico.....	2,132,000,000
Hawaii.....	2,013,000,000
Oregon.....	1,671,000,000
Montana.....	1,597,000,000
Iowa.....	1,555,000,000
Maine.....	1,373,000,000
District of Columbia.....	1,362,000,000
North Dakota.....	1,362,000,000
Nevada.....	1,301,000,000
Arkansas.....	1,148,000,000
New Hampshire.....	764,000,000
Rhode Island.....	474,000,000
Vermont.....	454,000,000
Nebraska.....	400,000,000
South Dakota.....	393,000,000
Idaho.....	382,000,000

According to the February 13 issue of *Forbes* magazine an article, "What Foreigners Will Buy Next," states that U.S. "auto parts makers, semiconductor producers, and biotech outfits with lots of strong patents will be the hottest tickets."

The article states, "Japanese exporters are eager to shift production to the United States to counter protectionist sentiments and because the strong Yen makes America a lower-cost place to manufacture."

The Japanese buying mania of America is continuing and it includes the purchase of real estate, industrial plants, record companies, meat processing plants, citrus groves, ranches—and the list goes on and on.

What is becoming clear is they are not only driving up prices but are alarming Americans who can no longer continue to own homes in some places like Hawaii—and they are buying up the leisure properties.

I was in southern California on Monday, and some of the residents there pointed out to me that literally all of the land, all of the properties west of Highway 5 between Los Angeles and San Diego are now owned by Japanese interests, and they expressed concern. Oh, yes, they are becoming our landlords and Americans are asking why.

How can this be in the United States? How can we let them price us out of our own market on real estate and lose such industries as our movie industry to foreigners?

Now we have one more area where the Americans are helping the Japanese to excel, and that is in business takeovers.

It was with absolute amazement that I read yesterday about American businessmen helping Japanese learn the art of business takeovers.

In the article in the *New York Times* by James Sterngold, "Tutoring Japanese on Takeovers" explained the Japanese have "clearly chosen it as a global growth business. The Japanese the companies are training are 'their advance parties.'"

The article follows:



[From the New York Times, May 23, 1989]

# TUTORING JAPANESE ON TAKEOVERS

(By James Sterngold)

It was a classic American business story when a dissatisfied group of takeover experts at the First Boston Corporation suddenly quit last year and formed Wasserstein, Perella & Company to do things their own way. And the story could not have been more Japanese when Nomura Securities, which later acquired 20 percent of Wasserstein, Perella, shipped five members of its staff to the new firm to learn the takeover game: the five were neither consulted nor told why they had been chosen.

"It was totally a voice from heaven, you could say," said Hiromi Yamaji, one of the five and a vice president. "It's not the Japanese style to ask why."

The contrast is just one of dozens in an unusual cross-cultural experiment: teaching Japanese securities professionals the rough-and-tumble acquisitions game, a uniquely American business and an activity that until recently barely existed in Japan.

## THE START OF A TREND

Already, the experiment has turned into something of a trend. The Blackstone Group, a highly successful mergers and acquisitions firm set up by two former Lehman Brothers Kuhn Loeb investment bankers, Peter G. Peterson and Stephen A. Schwarzman, sold a 20 percent interest to Japan's Nikko Securities and has three trainees. And the Lodestar Group, led by Ken Miller, a former vice chairman of Merrill Lynch & Company, and Robert Baldwin, a former chairman of Morgan Stanley & Company, will soon take on two Japanese trainees from its 20 percent shareholder, Yamaichi Securities.

Other American securities firms have taken on Japanese professionals for training, but it is in the mergers business that the cultural contrasts are most evident. From the power breakfast to screaming negotiating sessions and million-dollar bonuses, the American style of mergers and acquisitions is a world away from traditionally indirect and slower-paced Japanese business methods.

Consider income. The Blackstone Group's three Japanese professionals are still paid a typical Japanese wage by Nikko and thus earn less than \$100,000 a year—a fraction of what the American professionals working elbow-to-elbow with them receive. And the list goes on.

## A SERVICE BUSINESS TEST

The experiment may provide some insight into a significant issue: Will the Japanese prove as adept at learning, and then dominating, service business as they have at a range of manufacturing industries, like automobiles and computer chips? Even though the Japanese securities firms have made virtually no headway into mergers and acquisitions so far, they have clearly chosen it as a global growth business. The Japanese trainees are their advance parties.

The flood of Japanese investment in this country has added urgency to the Japanese desire to learn the mergers advisory business. Increasingly, Japanese investors are buying whole companies, not just their stocks and bonds. But Wall Street firms, as veterans of the takeover wars of the 1980's, are far ahead of their Japanese competitors in brokering these deals and garnering the huge fees.

Not coincidentally, this is the first financial business in which the Japanese securities firms have acknowledged that they

cannot go it alone and have sought help in the form of joint ventures.

"The question for them was, do you have 100 percent of nothing or 20 percent of a good thing?" asked Joseph R. Perella, his firm's chairman.

## MANAGEMENT STYLE QUESTIONED

Shin Kijima, a managing director at Wasserstein, Perella, said: "I think that in the M.&A. or investment banking area the Japanese management style does not work. But we'll change if we need to."

"They are students and businessmen," said Toshio Mori, chairman of Nikko Securities' United States division, referring to the Nikko professionals at Blackstone. "We don't have expertise in this business because there has not been much M.&A. in Japan. But things are changing and as we look five or ten years ahead we do believe M.&A. will become important to Japan."

The flow of information is not one way, of course. Although the Americans may be training their future competitors, they are getting access to Japanese corporations and financial institutions that no American firm has been able to tap independently, an important new source of business.

"What we've gotten," Mr. Schwarzman said, "is use of the whole Nikko network in Japan."

## LANGUAGE DIFFICULTIES

The Japanese cultural barriers to American-style deal making start with language; the Japanese word for a corporate takeover, "baishuu," can also mean bribery. So Japan's big securities firms have given their merger departments euphemistic titles. Nomura calls its takeover group in Tokyo the Business Development Department, while Nikko's is the Company Information Section.

The linguistic problem underscores the fact that in a country that regards corporations as surrogate families for their employees, the idea of selling or buying a company is fraught with negative implications.

"You don't have so many deals traditionally because to put a company up for sale generally means there has been some kind of failure," said Masanori Ishikawa, the head of Nikko's mergers and acquisitions department, now working at Blackstone. "It is very shameful."

## THE POWER BREAKFAST

To the cosmopolitan Japanese involved in these studies—most have lived overseas and have American M.B.A.'s—some contrasts have clearly proved refreshing. Some are as small as the typical Wall Street meeting—the 7:30 A.M. power breakfast. In Japan, the norm is to meet for long dinners and rounds of drinking, which insure that Japanese executives do not enjoy much of a home life.

"It was a little unusual the first time, but I'm more comfortable now with a breakfast meeting," Mr. Yamaji of Wasserstein, Perella said. "I'd rather get up early and get home early."

Most Japanese here also enjoy the informality of the American firms that is considered essential to allow a free flow of ideas. By contrast, the rigid hierarchy of a Japanese securities company limits who can deal with whom and even the form of speech used.

"I was very surprised to find Mr. Peterson and Mr. Schwarzman talking to the junior people or an associate talking with Mr. Peterson about a company," said Hiroyuki Kondo, a Blackstone associate from Nikko who is the veteran of the group, with a year and a half of experience at the American

firm. "I came to realize that it's part of their concept of the business."

## SUDDEN CHANGES

The lack of a rigid structure is also evident in the speed with which negotiations can change direction or tone in this country, and the direct participation of chief executives in the process.

"One day they say we're not interested, the next day they say let's talk," said Mr. Ishikawa of Blackstone. "American people change their minds so quickly."

Another distinct element is the financial engineering that goes into an American-style takeover, especially a leveraged buyout. Investment bankers often spend vast amounts of time lining up financing and devising the financial structure, which can include everything from bank loans and "junk bonds" to preferred stock and warrants.

"Financial structure is not so important in Japan because there is so much money available," Mr. Ishikawa said, referring to the enormous cash hoard that Japanese financial institutions have amassed because of the country's huge trade surpluses and high personal savings rate. "Companies usually just go to their banks."

## A SHORTAGE OF SPECIALISTS

One of the greatest barriers, though, could prove to be the lack of merger specialists in Japan. The Japanese firms rotate executives from one department to another every few years throughout their careers. This builds a strong coterie of generalists, but it means that businesses that require highly specialized knowledge or long-term personal relationships—like takeovers—are not done as well.

"Mr. Kijima and I have been telling Nomura that they should consider changing the career process to keep people in M.&A. to really learn the business," said Mr. Yamaji, who added that they had not met with much success so far.

Mr. Mori of Nikko said that in Tokyo, his firm had instituted a new policy: young executives can choose to specialize rather than enter the rotation. But it means they give up any chance of becoming president. "We have not had many people choose to do that," Mr. Mori said.

The Americans tend to reject worries that this might yet be another business that the Japanese slowly move into and then dominate.

## 'ALIEN TO THEIR CULTURE'

"That's always a risk in any business where you have arrangements like this," said Mr. Schwarzman of Blackstone. "But keep in mind that the deal technology business is quite alien to their culture. They aren't going to adjust that fast."

Mr. Perella said he did not expect the Japanese to become serious competitors. "This is a high-margin, brain power business," he said. "This is a service with an arcane set of rules. You don't mass-produce it. M.&A. is going to be done on what I call the Anglo-Saxon standard around the world. It isn't like a VCR, where they can learn the technique and then capture the market."

Perhaps the biggest guarantee that the Japanese will never play the takeover game quite the way Wall Street does is the individualism found among merger specialists, many of whom have developed into media stars with large egos to match their skills. In a Japanese company, an outside ego is generally not an asset.

"Bruce and Joe are excellent people and I admire them greatly," Mr. Kijima said of Mr. Wasserstein and Mr. Perella. "But, of course, you cannot transfer all of their style."

The question raised is "Will the Japanese prove as adept at learning and then dominating, service businesses as they have at a range of manufacturing industries, like automobiles and computer chips?"

This is a curious thing—we have been told that we are turning into a service-based economy from a manufacturing economy—and that we are the world leaders.

Now they want to teach someone how to take away that lead. They are getting access to Japanese networks for their efforts—but then we are playing with fire on this because we are not dealing with a political system that separates the government and business as we do.

Their rationale is takeovers are "alien to their culture."

One of the American managers stated in a smug manner that takeovers are "a high-margin brainpower business. This is a service with an arcane set of rules. You don't mass-produce mergers and acquisitions. It is going to be done on what I call the Anglo-Saxon standard around the world. It isn't like a VCR where they can learn the technique and then capture the market."

If I were Japanese, I would be determined to show just what I could do in takeovers after a statement like that. That is not a fatuous statement.

Look what the Japanese have done to American business in a few short years.

The Japanese started out coming to our meetings and companies with notebooks and tape recorders asking how we did things. And wearing funny glasses in order to measure equipment without anyone knowing what they were doing.

In fact they recently did exactly the same thing with a film studio, until they had learned enough to try to branch out into their own commercial film labs. Fortunately—we called attention to it—and with some other actions, they have backed off from the lab.

The takeovers of companies will give them access to what we are developing in products—and like all business endeavors will give them the support and supply networks. It is complementary to their next assault on business.

Now Japan is getting ready to launch an assault on what we have been known for throughout the world—our innovation and creativity.

I might add at this point, Mr. Speaker, that we have been hearing and have been working to prevent Sony of America to get all of the rights to record on its optical disks all of the

patents of the United States. This just really bothers me a great deal. All of this certainly appears to be a challenge to us and one we cannot and must not ignore.

A news cable of May 15 from Japan tells the story of what will happen in the attack on United States patents.

The news cable follows:

KEIZAI, LEBENSDRANG, TEIKOKU, MAY 15, 1989.—Japan's economic strength will be felt in the near future as Japanese industrial giants and trading companies broaden their funding of U.S. subsidiaries.

54 financial units were formed last year, with 36 units based overseas.

The total number of these units as of March, 1989 according to Japanese news reports, was 388 in Japan with 99 in the Netherlands, 44 in the U.S., 13 in Britain, nine in Hong Kong, four in Australia, four in Luxembourg, three in the Cayman Islands, three in Panama and seven in other regions.

Mitsui & Co., ranked top with eight financial subsidiaries, Mitsubishi Corp., and Nissho Iwai Corp., were second with seven units. Other Japanese Companies included: Matsushita Electric Industrial Corp., Sumitomo Corp. and Nippon Telegraph and Telephone Corp., each with six units.

Recent news reports in the Wall Street Journal and the New York Times noted that Nissan Motor's finance department expanded its financial units in the U.S., with the Nissan Motor Acceptance Corp., for financing cars and also a newly formed insurance company.

But the real battle that is brewing is the recently formed "intellectual property rights departments," by six Japanese electronics firms.

Mitsubishi Electric, in February, formed a new department with a staff of 120 patent, legal, and engineering personnel, 70 of these staff members will be based at Mitsubishi's R&D center.

I might note that the FSX technology is going to be turned over to Mitsubishi, which has some questionable ties to Libya in regard to building a bomb plant next to a chemical gas plant in the middle of the Libyan desert.

Sharp has set up a 30 man staff and the Toshiba Corp., reorganized its patent department into a 70 member team on April 1. Matsushita has set up an international and legal affairs department in their Osaka and Tokyo office and a "researcher" has been sent to their Washington, D.C. office.

But the largest restructuring was the Hitachi Ltd., which merged its engineering and patent division last August into a 330 staffed section.

What has gone unnoticed by the U.S. media, particularly by financial reporters, is when the Super 301 provisions of the Omnibus trade act are implemented at the end of May, that the Japanese electronics companies will be going on the offense.

Japanese companies, for the past several years, have been acquiring a large number of patents in the U.S. They claim that American companies use lawsuits as a stop-gap measure until they can get new products onto the market.

In 1987, Canon, Hitachi, and Toshiba were the top three companies to acquire patents in the U.S. Mitsubishi, which ranked seventh, obtained 518 patents.

Toshiba, of course, is the company that sold the silent submarine milling equipment to the Russians, thereby setting back the U.S. naval power by years and billions of dollars.

These newly formed departments show a markedly different approach as to how American companies will be economically attacked on their own turf.

This certainly appears to be a challenge to us—and one we cannot and must not ignore.

Keep in mind the statement from the cable explaining the Japanese hiring more patent attorneys—as I read the first sentence of a story on March 30 from the Journal of Commerce.

The article by A.E. Cullison states, "Japanese officials presented a plan Wednesday designed to ease differences in the way Japan and other countries protect intellectual property rights."

"Under a proposal from the Japanese Patent Office, Japan will introduce an electronic patent application system to reduce the time involved examining patent applications."

Now I know we have been complaining about the backlog in examining patents—but I find the statement from the cable to be directly contrary to the Cullison article on how they are trying to cooperate.

His story is accurate and correct—but the cable is putting on the real face of how the Japanese intend to operate in the patent area.

And—there is nothing wrong with wanting to do well with patents, but we must look at it on the broader perspective.

They have a method of operation that is—forgive me—foreign to us. When a Japanese company wants a product they file patents all around the product.

Their filing is similar to the camera fiend on a vacation that takes 100 pictures of their trip and then treats you to an enforced viewing of boring pictures taken every 2 seconds which in reality are nothing more than shots in slow motion of your friends.

As with the numerous pictures of your friends on vacations—the Japanese are willing to spend \$5,000 to \$6,000 on each patent to file all around an original patent.

The net effect is to keep the original patent holder from progressing with his patent and investment. That process becomes a substantial investment just to file on an original patent.

So, it is becoming clear what their intentions are. On one hand they cooperate, while they buy property—learn about business takeovers—or they plan to take over patents. Maybe fights will ensue over the patent process.

Our overseas allies or competitors are in for a surprise. The American



people are resilient—they are optimistic and have an entrepreneurial spirit. Once a picture is clear to them and they are challenged—they will roll up their shirt sleeves and win the competition—and this is a challenge. I place my faith in America.

□ 1340

#### NATIONAL TAP DANCE DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. CONYERS] is recognized for 60 minutes.

Mr. CONYERS. Mr. Speaker, today we are in the process of examining—thanks to some extraordinary cooperation from the leadership on both sides of the aisle—one of the most significant resolutions that I have been able to bring forward to this body in the 101st session of the Congress. I am very pleased to have shortly coming up for consideration, a joint resolution that would designate May 25, 1989, as "National Tap Dance Day."

This multifaceted art form is a manifestation of the cultural heritage of our Nation, it reflects the fusion of both African and European cultures into an exemplification of the American spirit that should be through documentation, archival and actual performance support, transmitted to succeeding generations of Americans who may not be as particularly aware of this art form as they might. Tap dancing has had a historic and continuing influence on other American art including music, vaudeville, Broadway musical theater, and film and other forms of dance. It is perceived around the world as a uniquely American art form, and tap dancing itself is a joyful and powerful aesthetic force providing a source of enjoyment and an outlet for creativity and self-expression for Americans, from the novice hoppers, right up to the ranks of the highest professionals in that field.

□ 1350

I might also say that it is in the best interest of the people of our Nation to preserve and promote and, yes, celebrate this uniquely American art form, and because one American tap dancer, Bill "Bojangles" Robinson, has been the person that has brought this art form into more prominence and popularity than any other, we in Congress have taken this day, May 25, his birthday, to make this resolution a part of the legislative process of the House of Representatives.

Bill Robinson made his contribution to tap dancing on both stage and film and through the unification of diverse stylistic and racial elements, and so this day, May 25, the 111th anniversary of the birth of Bill "Bojangles" Robinson, is the most appropriate day in which to refocus the attention of

the Nation on this great American art form, tap dancing.

So we resolve here in the House of Representatives, and subsequently in the other body, that May 25, 1989, be designated as "National Tap Dancing Day," and that the President be authorized and requested to issue a proclamation calling upon the people of the United States to observe such a day with appropriate ceremonies and activities.

All the way from Detroit, MI has come one of the great tap dance experts in America, Mr. Lloyd Storey, who sits in the gallery at this moment. He has been a member of the Sultans Dance Team since 1941. It was he who joined "Bojangles" Robinson in the Hot Mikado, a play that was produced by Mike Todd for the New York World's Fair, and he and his group performed for 6 months with "Bojangles." Subsequently, the Sultans danced around the world, performing before kings and Presidents, before paupers and princes, and before people of every ethnic origin. I am so very pleased that Lloyd Storey would travel to the Nation's Capital for this very historic day in the House of Representatives. Currently, Mr. Storey is teaching at the Center for Creative Studies in the Institute for Music and Dance. So on September 15, 1989, when the Detroit Symphony Orchestra begins its new season, the opening performance will be with Gregory Hines and Mr. Lloyd Storey and the Sultans, all coming together for a wonderful combination of American music and tap.

So I have been moved as the Members can tell, Mr. Speaker, by my modest participation in this project, and I have made a pledge, a sober and somber pledge, that I, too, would join the legion of people who are going to take tap dancing lessons. Tonight I am joining master tap dancer and instructor Brenda Buffalino and the members of the Tap America Project for my first tap dance lesson. I am taking my constituent, Lloyd Storey, with me, and we are going to have quite a time indeed.

I would now like to just review a little bit about this amazing man, Bill "Bojangles" Robinson. He was born back in 1878 in Richmond, VA, the grandson of a slave. His father was a machine shop worker. His mother sang in the local church. Early in his youth he was orphaned, and he was reared by his grandmother.

His formal education ended in the 8th grade. He quit school and ran away from home and came, of all places, to Washington, DC, where he began working as a stable boy at the Benning Race Track. There he was exposed to the traveling minstrel groups that were then in great vogue coming in and out of the city, and he became fascinated with the entertainers, with

their exuberant and often outlandish performances. He studied their routines, their dances, their shuffling styles, their buck and wing, and the clog, which is the American version of the Irish jig. He was captivated and fascinated by the dancing. So he began to use the basics of a minstrel tradition, and he began to develop his own syncopated, rhythmic style, and he was soon out performing on the streets.

His early professional appearances were made in Eddie Leonard's Minstrel Show, The South, Before the War, which opened in New York in 1892. After a successful run, Robinson returned to Richmond where he worked for 10 more years as a waiter. Then he met his lifelong manager, Mr. Marty Forkins, and began working again on developing his elaborate routines. Pretty soon the critics began to recognize him. In 1926, just as he reached the peak of his talents, Robinson appeared in London, England, captivating that country with the exuberance and the originality and the verve that he brought to his style. So all throughout his life, this very complex, decent, entrepreneurial, energetic person reinvigorated this new art form, winning recognition for it around the world.

There was one highlight of his career that brought Robinson to complete renown, and that was the series of movies that he made with Shirley Temple in which he demonstrated a method of dancing up and down a stairway, which soon became imitated by all the people in tap dancing. One of the finest moments in American musical film history remains the one in which Bill Robinson taught Shirley Temple how to dance up the magic staircase in "The Little Colonel."

Bill "Bojangles" Robinson had a hectic, fabulous, and legendary existence. When he died on November 25, 1949, his body lay in state at the Lightguard Armory in Harlem, where he was eulogized for 2 days. Irving Berlin and many other great notables were his pallbearers. He left a great legacy that has now been recaptured in the resurgence of tap and by a new biography that has just come out called "Mr. Bojangles."

So, Mr. Speaker, I thank the Members of the House, from both sides of the aisle, for their enthusiastic cooperation which has allowed this joint resolution to be considered under the extraordinary procedures granted by both sides today.

Mr. Speaker, I yield back the balance of my time.

#### NATIONAL TAP DANCE DAY

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be

discharged from further consideration of the joint resolution (H.J. Res. 131) to designate May 25, 1989 as "National Tap Dance Day," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore (Mr. KANJORSKI). Is there objection to the request of the gentleman from Ohio?

Mr. RIDGE. Mr. Speaker, reserving the right to object, I do so only for the purpose of inquiring of my friend, the gentleman from Michigan [Mr. CONYERS], if he has anything to add, since he has worked so diligently on this particular joint resolution. I do know that the gentleman noted the reason for the introduction of this joint resolution in his special order, but I would be happy to yield to the gentleman if he wishes to take additional time.

□ 1400

Mr. CONYERS. Mr. Speaker, will the gentleman yield?

Mr. RIDGE. I yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Speaker, I first of all want to thank the gentleman from Pennsylvania [Mr. RIDGE] and the chairman of this subcommittee for the wonderful cooperation in which they have allowed me to make the timely obligation that is involved in this particular resolution.

I would like to add also that this is the same subcommittee that was so cooperative in allowing me to bring another similar resolution to the floor known as the resolution on jazz.

What I found in this cultural enterprise that I have been engaged in is that the artists of America are very, very supportive and enthusiastic. I would not have been surprised, Mr. Speaker, if none of them knew what the House of Representatives and the U.S. Senate were doing in this regard. Quite differently they were very pleased, certainly in the jazz world, that the Congress, our Federal legislature, for the first time in our 200 years, spoke to the important world contributions that jazz enjoys by all the countries in the world. Likewise, tap dance is considered an allied form, and I just have the feeling that with the resurgence of jazz under Gregory Hines and the tap dance organizations that these growing numbers of people, professional and amateur, are going to be just as enthusiastic about the work that your committee and those of us in the Congress that support this has done.

Mr. Speaker, I am very appreciative, and I hope that we will move this forward expeditiously.

Mr. SAWYER. Mr. Speaker, will the gentleman yield?

Mr. RIDGE. I yield to the gentleman from Ohio, my friend and colleague.

Mr. SAWYER. Mr. Speaker, I take this opportunity to offer special thanks to the distinguished gentleman from Michigan [Mr. CONYERS] for the extraordinary effort that he has put forth not only on behalf of this resolution in which he has made special effort to contact a remarkable number of our colleagues throughout the Congress and taken that opportunity to share the importance of the contribution that has been made in the name of this uniquely American art form, but to share that sense of importance with Members who might not otherwise have understood the depth of that appreciation. It is the same commitment to shared understanding that led to the extraordinary work that he brought through the committee which we share on behalf of the Martin Luther King Commission and the extension of that authorization. It is an effort, two efforts that are of a single kind, and in which all of us can take great pride and in which I take this particular opportunity to thank both Members, the gentleman from Michigan [Mr. CONYERS] and the gentleman from Pennsylvania [Mr. RIDGE], my distinguished colleagues, for making this extraordinary effort today.

Mr. RIDGE. Mr. Speaker, I do want to commend, as well, our colleague and friend, the gentleman from Michigan [Mr. CONYERS] who did quite admirable work the past couple of days in order to get cosponsors for House Joint Resolution 131.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the joint resolution, as follows:

#### H.J. RES. 131

Whereas the multifaceted art form of tap dancing is a manifestation of the cultural heritage of our Nation, reflecting the fusion of African and European cultures into an exemplification of the American spirit, that should be, through documentation, and archival and performance support, transmitted to succeeding generations;

Whereas tap dancing has had a historic and continuing influence on other genres of American art, including music, vaudeville, Broadway musical theater, and film, as well as other dance forms;

Whereas tap dancing is perceived by the world as a uniquely American art form;

Whereas tap dancing is a joyful and powerful aesthetic force providing a source of enjoyment and an outlet for creativity and self-expression for Americans on both the professional and amateur level;

Whereas it is in the best interest of the people of our Nation to preserve, promote, and celebrate this uniquely American art form;

Whereas Bill "Bojangles" Robinson made an outstanding contribution to the art of tap dancing on both stage and film through the unification of diverse stylistic and racial elements; and

Whereas May 25, as the anniversary of the birth of Bill "Bojangles" Robinson, is an appropriate day on which to refocus the attention of the Nation on American tap dancing: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That May 25, 1989, is designated "National Tap Dance Day". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such a day with appropriate ceremonies and activities.*

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### GENERAL LEAVE

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the joint resolution just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

#### SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. WALSH) to revise and extend his remarks and include extraneous material:)

Mr. WALKER, for 60 minutes, today.

(The following Members (at the request of Mr. PAYNE of Virginia) to revise and extend their remarks and include extraneous material:)

Mr. GLICKMAN, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. HOCHBRUECKNER, for 60 minutes, on June 6.

Mr. HOCHBRUECKNER, for 60 minutes, on June 20.

(The following Member (at the request of Mr. GINGRICH) to revise and extend her remarks and include extraneous material:)

Mrs. BENTLEY, for 60 minutes, today.

(The following Member (at the request of Mr. GONZALEZ) to revise and extend his remarks and include extraneous material:)

Mr. CONYERS, for 60 minutes, today.

#### EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. WALSH) and to include extraneous matter:)

Mr. MARLENEE.

Mr. SCHULZE.

Mrs. ROUKEMA.



Mr. LAGOMARSINO in two instances.  
(The following Members (at the request of Mr. PAYNE of Virginia) and to include extraneous matter:)  
Mr. MATSUI.  
Mr. PAYNE of Virginia.  
Mr. PANETTA.

### ADJOURNMENT

Mr. SAWYER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER pro tempore (Mr. KANJORSKI). Pursuant to the provisions of Senate Concurrent Resolution 38 of the 101st Congress, the House stands adjourned until 12 o'clock meridian, Wednesday, May 31, 1989.

Thereupon (at 2 o'clock and 4 minutes p.m.), pursuant to Senate Concurrent Resolution 38, the House adjourned until Wednesday, May 31, 1989, at 12 noon.

### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1256. A letter from the Deputy Commander for Contracts, Naval Facilities Engineering Command, Department of the Navy, transmitting notification of the determination and findings to restrict competition to joint venture companies of the United States and the Republic of the Philippines for the construction of a power plant expansion at PWC Subic Bay, Philippines, pursuant to 10 U.S.C. 2304(c)(7); to the Committee on Armed Services.

1257. A letter from the Assistant Secretary, Legislative Affairs, Department of State, transmitting the views of the administration in support of H.R. 2214, a bill to ratify certain agreements relating to the Vienna Convention on Diplomatic Relations; to the Committee on Foreign Affairs.

1258. A letter from the Deputy Associate Director for Collection and Disbursements, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

1259. A letter from the Deputy Associate Director for Collection and Disbursements, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

1260. A letter from the Acting Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to amend title 5, United States Code, to provide a remote maintenance allowance to certain officers and employees of the United States assigned to Johnston Island; to the Committee on Post Office and Civil Service.

1261. A letter from the Secretary, Department of Veterans Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to authorize the Department of Veterans Affairs to require mandatory disclosure of Social Security numbers in claims for disability and death

benefits; to the Committee on Veterans' Affairs.

1262. A letter from the Chairman, United States International Trade Commission, transmitting the 57th quarterly report on trade between the United States and the nonmarket economy countries, pursuant to 19 U.S.C. 2441(c); to the Committee on Ways and Means.

1263. A letter from the Acting Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to authorize the transportation of motor vehicles owned by Federal employees on Johnston Island to their families in Hawaii; jointly, to the Committees on Armed Services and Government Operations.

### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 402. A bill to amend the Mineral Leasing Act of 1920 with respect to the movement of coal over public lands, and for other purposes, with an amendment (Rept. 101-67, Pt. 1). Ordered to be printed.

Mr. MONTGOMERY: Committee on Veterans' Affairs H.R. 1358. A bill to amend title 38, United States Code, with respect to the Montgomery G.I. Bill, and for other purposes, with an amendment (Rept. 101-68, Pt. 1). Ordered to be printed.

Mr. MONTGOMERY: Committee on Veterans' Affairs H.R. 1734. A bill to exempt retired members of the Armed Forces called to active duty and assigned to full-time duty with the American Battle Monuments Commission from grade limitations on officers of the Armed Forces; with an amendment (Rept. 101-69, Pt. 1). Ordered to be printed.

Mr. ROSTENKOWSKI: Committee on Ways and Means. H.R. 2443. A bill to authorize appropriations for fiscal year 1990 for the customs and trade agencies, and for other purposes (Rept. 101-70). Referred to the Committee of the Whole House on the State of the Union.

### PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MATSUI (for himself, Mr. DORGAN of North Dakota, Mr. DONNELLY, Mr. MOODY, Mr. PEASE, Mr. STARK, Mr. COELHO, Mr. SWIFT, Mr. EDWARDS of California, Mr. WAXMAN, Mr. LEVINE of California, Mr. FRANK, Mr. MILLER of California, Mr. CLAY, Mr. HAYES of Illinois, Mr. LANTOS, Mr. BATES, Mr. DELLUMS, Mr. GEJDENSON, and Mr. OWENS of New York):

H.R. 2493. A bill to permit the flow-through to certain public utility customers of the benefits of the corporate rate reductions of the Tax Reform Act of 1986; to the Committee on Ways and Means.

By Mr. FAUNTROY (for himself and Mr. LEACH of Iowa) (both by request):

H.R. 2494. A bill to amend the Export-Import Bank Act of 1945 to authorize the appropriation of not to exceed \$100,000,000 to the tied aid credit fund for fiscal year 1990, and to provide for expenditures from such fund during such fiscal year; to the Committee on Banking, Finance and Urban Affairs.

H.R. 2495. A bill to provide for a U.S. contribution to the interest subsidy account of the enhanced structural adjustment facility of the International Monetary Fund; to the Committee on Banking, Finance and Urban Affairs.

H.R. 2496. A bill to provide for participation by the United States in a capital increase of the Inter-American Development Bank, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. GLICKMAN (for himself and Mr. PEASE):

H.R. 2497. A bill to authorize and encourage Federal agencies to use mediation, conciliation, arbitration, and other techniques for the prompt and informal resolution of disputes, and for other purposes; to the Committee on the Judiciary.

By Mr. JONES of North Carolina (for himself, Mr. DAVIS, and Mr. LENT):

H.R. 2498. A bill to regulate shipping in the domestic trades of the United States; to the Committee on Merchant Marine and Fisheries.

By Mrs. KENNELLY (for herself, Mr. GEJDENSON, Mr. SHAYS, Mr. PALLONE,

Mr. ROWLAND of Connecticut, Mr. NOWAK, Mr. HAMILTON, Mr. SHARP, Mr. LAGOMARSINO, Mr. SMITH of New Jersey, Mr. JACOBS, Mrs. BOXER, Mr. MORRISON of Connecticut, Mr. MATSUI, Mrs. JOHNSON of Connecticut, Mr. OWENS of New York, Ms. SLAUGHTER of New York, Mr. COURTER, Mrs. LOWEY of New York, Mr. ROTH, Mr. JONTZ, and Mr. ROE):

H.R. 2499. A bill to amend title XIX of the Social Security Act to permit States to include, at their option, certain long-term care services under their Medicaid plans; to the Committee on Energy and Commerce.

By Mr. DELLUMS:

H.R. 2500. A bill to establish a United States Health Service to provide high quality comprehensive health care for all Americans and to overcome the deficiencies in the present system of health care delivery; jointly, to the Committees on Energy and Commerce, Armed Services, Banking, Finance and Urban Affairs, the District of Columbia, Education and Labor, the Judiciary, Post Office and Civil Service, Veterans' Affairs and Ways and Means.

By Mr. McEWEN:

H.R. 2501. A bill to amend the Mineral Leasing Act to provide for the continuation of certain future interest oil and gas leases; to the Committee on Interior and Insular Affairs.

By Mr. MARKEY:

H.R. 2502. A bill to amend sections 57(e) and 108 of the Atomic Energy Act of 1954 to prohibit commercial nuclear facilities from producing tritium for use in nuclear explosives except in time of war or national emergency; to the Committee on Interior and Insular Affairs.

By Mr. MATSUI (for himself, Mr. THOMAS of California, and Mr. JENKINS):

H.R. 2503. A bill to amend the Internal Revenue Code of 1986 to provide that certain corporations whose passive income is currently taxable to their U.S. shareholders

under section 951 of the Internal Revenue Code of 1986 will not be subject to the passive foreign investment company provisions of the Internal Revenue Code of 1986, and to eliminate the asset test for purposes of classifying a foreign corporation as a passive foreign investment company; to the Committee on Ways and Means.

By Mr. OBEY (for himself, Mr. OBERSTAR, Mr. PURSELL, Mr. PENNY, Mr. SABO, Mrs. MARTIN of Illinois, Mr. KASTENMEIER, Mr. HAYES of Illinois, Ms. OAKAR, Mr. STOKES, Mr. PETRI, Ms. KAPTUR, Mr. DORGAN of North Dakota, Mr. ROBERTS, Mrs. COLLINS, Mr. FEIGHAN, Mr. WHITTAKER, Mr. VISCLOSKEY, Mr. KLECZKA, Mr. ROTH, Mr. SENSENBRENNER, Mr. VENTO, and Mr. GUNDERSON):

H.R. 2504. A bill to promote the maritime trade interests of the United States in the Great Lakes; jointly, to the Committee on Merchant Marine and Fisheries and Public Works and Transportation.

By Mr. PANETTA:

H.R. 2505. A bill to amend the Public Health Service Act, the Social Security Act, and the Internal Revenue Code of 1986 with respect to preventive health programs; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. RAVENEL:

H.R. 2506. A bill to provide for the Secretary of Veterans Affairs to construct a joint medical research center for the Department of Veterans Affairs and the Medical University of South Carolina in Charleston, SC, under a cost-sharing agreement; the to the Committee on Veterans' Affairs.

By Mrs. ROUKEMA (for herself, Mr. ROE, Mr. CONTE, and Mr. GILMAN):

H.R. 2507. A bill to establish a commission on aviation security and terrorism to investigate the adequacy of and compliance with aviation security procedures and Federal Aviation Administration security requirements; to the Committee on Public Works and Transportation.

By Mrs. SCHROEDER (for herself, Mr. FAUNTROY, Mr. DE LUGO, Mr. DE LA GARZA, Mr. FALCOMA, Mr. SPRATT, Mr. PANETTA, Mr. DYMALLY, Mr. SKELTON, Mr. HERTEL, Mr. BUSTAMANTE, Mr. LANCASTER, and Mr. FAZIO):

H.R. 2508. A bill to direct the Secretary of Defense to provide comprehensive assistance to military families who are required to relocate; to the Committee on Armed Services.

By Mr. SCHUETTE:

H.R. 2509. A bill entitled the "Crop Quality Reduction Disaster Payments Act;" to the Committee on Agriculture.

By Mr. SCHULZE (for himself and Mrs. KENNELLY):

H.R. 2510. A bill to amend the Internal Revenue Code of 1986 to allow insurance companies to be consolidated with noninsurance companies; to the Committee on Ways and Means.

By Mr. STUDDS (for himself and Mr. YOUNG of Alaska):

H.R. 2511. A bill to direct the President to develop a comprehensive safety program to ensure the quality and wholesomeness of all fish products intended for human consumption in the United States; to the Committee on Merchant Marine and Fisheries.

By Mr. WILLIAMS:

H.R. 2512. A bill to amend section 109 of title 38 of the United States Code to provide certain medical services to certain Canadian members of the former First Special Service

Force, a joint military unit of the United States and Canada which participated in World War II; to the Committee on Veterans' Affairs.

By Mr. ORTIZ:

H.J. Res. 285. Joint resolution designating the Ghost Squadron of the Confederate Air Force as the "United States Ambassador for the Commemoration of the 50th Anniversary of World War II;" to the Committee on Post Office and Civil Service.

By Mr. LEWIS of Georgia (for himself, Mr. JONES of Georgia, and Mr. GINGRICH):

H. Res. 162. Resolution relating to resolution of the Eastern Airlines labor dispute; to the Committee on Public Works and Transportation.

## MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

117. By the SPEAKER: Memorial of the House of Representatives of the State of Hawaii, relative to implementation of the Hawaiian Homes Program; to the Committee on Banking, Finance and Urban Affairs.

118. Also, memorial of the House of Representatives of the Commonwealth of Pennsylvania, relative to funds for the low-income home energy assistance block grant for fiscal year 1990; to the Committee on Energy and Commerce.

119. Also, memorial of the House of Representatives of the State of Hawaii, relative to a nuclear weapons test ban; to the Committee on Foreign Affairs.

120. Also, memorial of the House of Representatives of the State of Hawaii, relative to reduction of the Federal deficit; to the Committee on Government Operations.

121. Also, memorial of the House of Representatives of the State of Hawaii, relative to the administration and the Congress working together to reduce the Federal deficit; to the Committee on Government Operations.

122. Also, memorial of the Senate of the State of Hawaii, relative to an extension of the territorial sea to 12 miles; the formation of a National Oceans Policy Committee; to the Committee on Merchant Marine and Fisheries.

123. Also, memorial of the House of Representatives of the State of Hawaii, relative to ceasing implementation of the Medicare Catastrophic Expansion Act of 1988; jointly, to the Committees on Ways and Means and Energy and Commerce.

## ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 10: Mr. CLEMENT.

H.R. 14: Mr. LEHMAN of Florida and Mr. COSTELLO.

H.R. 40: Mr. GORDON.

H.R. 81: Mr. HERTEL, Mr. MACHTLEY, Mr. MANTON, and Mr. McNULTY.

H.R. 109: Mr. JENKINS.

H.R. 286: Mr. ECKART and Mr. ROBINSON.

H.R. 332: Mr. GOODLING.

H.R. 543: Mr. PEPPER, Mr. HOCHBRUECKNER, Mr. MARKEY, and Mr. FAZIO.

H.R. 545: Mr. WAXMAN, Mr. OBERSTAR, Mr. CROCKETT, and Mr. EVANS.

H.R. 546: Mr. BUECHNER.

H.R. 598: Mr. EDWARDS of Oklahoma and Mr. SHAW.

H.R. 673: Mr. MATSUI, Mr. DYMALLY, and Mr. OWENS of New York.

H.R. 746: Mr. TAUKE, Ms. LONG, Mr. JOHNSTON of Florida, Mrs. LOWEY of New York, Mr. HOCHBRUECKNER, Mr. ROBERT F. SMITH, Mr. GALLO, Mr. SMITH of Texas, Mr. CARDIN, Mr. PEASE, Mr. VANDER JAGT, Mr. WELDON, Mr. KYL, Mr. BRENNAN, and Mr. GOSS.

H.R. 794: Mr. FROST and Mr. PANETTA.

H.R. 812: Mr. ALEXANDER and Mr. TORRES.

H.R. 844: Mr. PACKARD.

H.R. 963: Mrs. LOWEY of New York.

H.R. 1024: Mr. LIPINSKI and Mr. THOMAS A. LUKEN.

H.R. 1046: Mr. VOLKMER.

H.R. 1068: Mr. RHODES.

H.R. 1087: Mr. RINALDO, Mr. STUDDS, Mr. HAMILTON, Mr. PURSELL, Mr. EVANS, Mr. PALONE, Mr. SYNAR, Mr. JONES of North Carolina, Mrs. MORELLA, Mr. JAMES, Mr. DEWINE, Mr. MAVROULES, and Mr. TRAXLER.

H.R. 1111: Mr. GEPHARDT.

H.R. 1142: Mr. MCCREERY.

H.R. 1175: Mrs. UNSOELD, Mr. FAUNTROY, Mr. DORGAN of North Dakota, Mr. ATKINS, Mr. JOHNSON of South Dakota, Ms. KAPTUR, Mr. HARRIS, Mr. MARTIN of New York, Mr. LEWIS of Georgia, Mr. GLICKMAN, Mr. LIGHTFOOT, and Mr. FROST.

H.R. 1176: Mr. RICHARDSON, Mr. TRAXLER, Mr. LANCASTER, Mr. JOHNSON of South Dakota, Mr. STANGELAND, and Mr. McDERMOTT.

H.R. 1187: Mr. SOLARZ, Mr. AU COIN, Mrs. BOGGS, Mrs. COLLINS, Ms. KAPTUR, Mr. ACKERMAN, Mrs. SAIKI, Mr. THOMAS A. LUKEN, Mr. LEWIS of Georgia, Mr. ROBINSON, Mr. KOLTER, Mr. EVANS, and Mr. GARCIA.

H.R. 1188: Mr. FAZIO.

H.R. 1307: Mr. PASHAYAN, Mr. PACKARD, and Mr. VALENTINE.

H.R. 1317: Mr. SHUMWAY, Mr. WALSH, Mr. RHODES, Mr. PACKARD, Mr. BOSCO, Mr. DANEMEYER, Mr. MARTIN of New York, and Mr. SLAUGHTER of Virginia.

H.R. 1358: Mr. EDWARDS of California, Mr. HAMMERSCHMIDT, Mr. APFLEGATE, Mr. WYLIE, Mr. ROWLAND of Georgia, Mr. McEWEN, Mr. FLORIO, Mr. BURTON of Indiana, Mr. STENHOLM, Mr. BILIRAKIS, Mr. HARRIS, Mr. RIDGE, Mr. KENNEDY, Mr. ROWLAND of Connecticut, Mrs. PATTERSON, Mr. SMITH of New Hampshire, Mr. JONTZ, Mr. JAMES, Mr. PAYNE of Virginia, Mr. STEARNS, Mr. MORRISON of Connecticut, Mr. PAXON, Mr. PARKER, Mr. JONES of Georgia, Ms. LONG, Mr. LEATH of Texas, Mr. HEFNER, Mr. JENKINS, and Mr. RICHARDSON.

H.R. 1375: Mr. HARRIS, Mr. NEAL of Massachusetts, Mr. STARK, Mr. MRAZEK, Mr. FRANK, Mr. DONNELLY, Mr. RANGEL, Mr. AKAKA, Mr. McGRATH, Mr. FOGLIETTA, Mr. OWENS of New York, Mr. BOEHLERT, Mr. VOLKMER, Mr. GUARINI, Mr. EVANS, Mr. KOSTMAYER, Mr. DWYER of New Jersey, Mr. SMITH of Florida, Mr. LEWIS of Georgia, Mr. HAYES of Illinois, and Mr. SKEEN.

H.R. 1441: Mr. HOYER, Mr. GARCIA, Mr. BOUCHER, Mr. McDERMOTT, Mr. CLARKE, Mr. VOLKMER, Mr. DYMALLY, Mr. SCHUETTE, Mr. STAGGERS, Mr. WOLPE, Mr. EVANS, Mr. DE LUGO, Mr. JOHNSON of South Dakota, Mr. LEWIS of Georgia, Mrs. MORELLA, Mr. TORRICELLI, and Ms. PELOSI.

H.R. 1468: Mr. SLAUGHTER of Virginia.

H.R. 1507: Mr. OWENS of New York, Mr. COURTER, Mr. RINALDO, and Mr. GUARINI.

H.R. 1515: Mr. FISH.

H.R. 1516: Mr. KILDEE, Mr. ATKINS, Mr. ENGLISH, Mr. LIPINSKI, Mr. BERMAN, Mr. ROBINSON, Mr. GUNDERSON, Mr. FORD of Michigan, Mr. CLEMENT, and Mr. DE LUGO.



H.R. 1605: Mr. FLORIO, Mr. WEISS, Mr. DURBIN, Mr. CLEMENT, Mrs. MEYERS of Kansas, Mr. SLATTERY, and Mr. SOLOMON.

H.R. 1725: Mr. BATES.

H.R. 1730: Mr. KENNEDY.

H.R. 1734: Mr. EDWARDS of California, Mr. HAMMERSCHMIDT, Mr. APPELEGATE, Mr. WYLIE, Mr. EVANS, Mr. McEWEN, Mr. PENNY, Mr. SMITH of New Jersey, Mr. STAGGERS, Mr. BURTON of Indiana, Mr. ROWLAND of Georgia, Mr. BILIRAKIS, Mr. FLORIO, Mr. RIDGE, Mr. ROBINSON, Mr. ROWLAND of Connecticut, Mr. STENHOLM, Mr. SMITH of New Hampshire, Mr. HARRIS, Mr. JAMES, Mr. KENNEDY, Mr. STEARNS, Mrs. PATTERSON, Mr. PAXON, Mr. JOHNSON of South Dakota, Mr. JONTZ, Mr. PAYNE of Virginia, Mr. MORRISON of Connecticut, Mr. SANGMEISTER, Mr. PARKER, Mr. JONES of Georgia, Ms. LONG, Mr. LEATH of Texas, Mr. HEFNER, Mr. JENKINS, and Mr. RICHARDSON.

H.R. 1845: Mr. DIXON, Mr. PAYNE of New Jersey, Mr. ACKERMAN, and Ms. PELOSI.

H.R. 1860: Mr. HAWKINS, Mr. DYMALLY, Mr. KOLTER, Mrs. MARTIN of Illinois, Mr. BURTON of Indiana, Mrs. COLLINS, Mr. SOLOMON, Mr. THOMAS A. LUKE, Mr. LELAND, and Mr. GARCIA.

H.R. 1867: Mr. WISE.

H.R. 1957: Mr. SLAUGHTER of Virginia.

H.R. 2049: Mr. LANCASTER and Mr. GILLMOR.

H.R. 2131: Mr. COOPER, Mr. FUSTER, and Mr. BOEHLERT.

H.R. 2148: Mr. PARKER, Mr. TOWNS, Mr. ACKERMAN, Mr. LEWIS of Georgia, and Mr. DYMALLY.

H.R. 2154: Mr. STUMP.

H.R. 2156: Mr. COURTER, Mr. BONIOR, Mrs. SAIKI, and Mr. OWENS of New York.

H.R. 2172: Mr. CLAY, Mr. JACOBS, Mr. OWENS of New York, Mr. RANGEL, Mr. HERTEL, Mr. VALENTINE, Mrs. UNSELD, Mr. BERMAN, Mr. McDERMOTT, Mr. ENGLISH, Mr. NEAL of North Carolina, Mr. McGRATH, Mr. SCHEUER, Mr. EDWARDS of California, Mr. YATES, Mr. HORTON, Mr. ACKERMAN, Mr. LEWIS of Georgia, Mr. TOWNS, Mr. SIKORSKI, Mr. COYNE, Mr. DIXON, Mr. BILBRAY, Mr. BUECHNER, Mr. RINALDO, Mr. BENNETT, Mr. LIPINSKI, Mr. BOSCO, Mr. HENRY, and Mr. WEISS.

H.R. 2217: Mr. ROBINSON, Mr. WISE, Mr. TORRES, Mrs. COLLINS, Mr. BONIOR, and Mr. GARCIA.

H.R. 2237: Mr. BUSTAMANTE, Mr. BEVILL, and Mr. NIELSON of Utah.

H.R. 2273: Mr. KENNEDY, Mr. LEHMAN of California, and Mr. DURBIN.

H.R. 2323: Mr. COURTER, Mr. WALSH, Mr. AKAKA, Mr. YATES, Mr. BLAZ, Mr. GONZALEZ, Mr. MACHTLEY, Mr. NEAL of Massachusetts, Mr. KOSTMAYER, and Mr. FAUNTROY.

H.R. 2336: Mr. SMITH of Vermont, Mr. KOLTER, Mrs. BENTLEY, Mr. LIPINSKI, Mr. DYMALLY, and Mr. DENNY SMITH.

H.R. 2359: Mr. ROBINSON, Mr. GALLEGLEY, and Mrs. COLLINS.

H.R. 2360: Mr. WOLF, Mr. DORNAN of California, and Mr. SMITH of New Hampshire.

H.R. 2395: Mr. DYMALLY, Mr. CARPER, Mr. JONTZ, Mr. BROWN of California, Mr. ATKINS, Mrs. BOXER, and Mrs. VUCANOVICH.

H.R. 2406: Mr. BONIOR and Ms. KAPTUR.

H.R. 2426: Mr. BERMAN, Mr. ACKERMAN, Mr. FALCONOVAEGA, Mrs. COLLINS, Mr. HOYER, Mr. SIKORSKI, Mr. FAZIO, and Mr. PEPPER.

H.R. 2437: Mr. TOWNS.

H.J. Res. 54: Mr. KENNEDY, Mr. YATES, and Mr. PANETTA.

H.J. Res. 127: Mr. CONYERS.

H.J. Res. 131: Mr. SAWYER, Mr. HUGHES, Mr. SYNAR, Mr. SANGMEISTER, Mr. HYDE, Mr. YOUNG of Alaska, Mr. SOLARZ, Mr. BOSCO, Mr. DEFazio, Mr. MARTIN of New York, Mr. DAVIS, Mr. QUILLLEN, Mr. APPELEGATE, Mr. MCCOLLUM, Mr. LEVINE of California, Mr. SOLOMON, Mr. ROE, Mr. SHAYS, Mr. BONIOR, Mrs. BENTLEY, Mr. KANJORSKI, Mr. LAFALCE, Mr. WILSON, Mr. BARNARD, Mr. JENKINS, Mr. WYLIE, Mr. AKAKA, Mr. PEPPER, Mr. BRUCE, Mr. COSTELLO, Mr. McDERMOTT, Mr. ORTIZ, Mrs. MARTIN of Illinois, Mr. FROST, Mr. OWENS of Utah, Mr. HAMILTON, Mr. STAGGERS, Mr. DEWINE, and Mr. UDALL.

H.J. Res. 141: Mr. HILER, Mr. VALENTINE, Mr. LANTOS, Mr. AKAKA, Mr. MAZZOLI, Mr. HAMMERSCHMIDT, Mr. PRICE, Mr. GRANT, Mr. HOAGLAND, and Mrs. MARTIN of Illinois.

H.J. Res. 147: Mr. WALSH, Mr. APPELEGATE, Mr. NEAL of Massachusetts, Mr. MANTON, Mr. DE LA GARZA, Mr. BATES, Mr. BENNETT, Mr. HERTEL, Mr. KOSTMAYER, Mr. JONTZ, Mr. TOWNS, and Mr. OWENS of New York.

H.J. Res. 164: Mr. MAZZOLI, Mr. CALLAHAN, Mr. LAFALCE, Mr. HARRIS, Mr. YOUNG of Florida, Mr. FRANK, Mr. SEXTON, Mr. LIVINGSTON, and Mrs. MEYERS of Kansas.

H.J. Res. 177: Mr. SHAYS, Mr. FOGLIETTA, Mr. CONTE, Mr. GOODLING, Mr. WEBER, Mr. EVANS, Mr. FALCONOVAEGA, Mr. MRAZEK, and Mr. SPENCE.

H.J. Res. 178: Mr. PAXON, Mr. MARTINEZ, Mr. HATCHER, Mr. MACHTLEY, Mr. EVANS, Mr. HUTTO, Mr. VOLKMER, and Mr. OWENS of New York.

H.J. Res. 197: Mr. SMITH of Mississippi, Mr. CLEMENT, Mr. CARPER, and Mr. HOAGLAND.

H.J. Res. 212: Mr. GONZALEZ, Mr. DYMALLY, Mr. DE LA GARZA, Mr. POSHARD, Mr. SKEEN, Mr. FRENZEL, Mr. INHOPE, Mr. JONES of Georgia, Mr. HANCOCK, Mr. PARRIS, Mr. COURTER, Mr. BEVILL, Mr. HAMMERSCHMIDT, Mr. CLINGER, Mr. SARPALIUS, Mr. PEPPER,

Ms. OAKAR, Mrs. BENTLEY, Mr. FAZIO, Mr. McNULTY, Mr. BENNETT, Mr. SHAYS, Mr. BATES, Mr. BURTON of Indiana, Mr. EVANS, Mr. LANCASTER, and Mr. SAVAGE.

H.J. Res. 216: Mr. BRENNAN, Mr. GINGRICH, Mr. HAMMERSCHMIDT, Mr. HUNTER, Mr. LIGHTFOOT, Mrs. MARTIN of Illinois, Mr. PAYNE of New Jersey, Mr. SABO, Mr. SISISKY, Mr. SMITH of Texas, and Mr. TORRICELLI.

H.J. Res. 217: Mr. ANDERSON, Mr. AKAKA, Mr. FOGLIETTA, Mr. BLILEY, Mr. HANCOCK, Mr. NEAL of North Carolina, Mr. SARPALIUS, Mr. WOLF, Mr. JONES of Georgia, Mr. FLORIO, Mr. SAWYER, Mr. TOWNS, Mr. SAVAGE, Mr. HATCHER, Mr. HAYES of Illinois, Mr. EVANS, Mr. MARTINEZ, Mr. BERMAN, Mr. DORGAN of North Dakota, Mr. OWENS of New York, Mrs. BOXER, Mr. WEISS, Mr. FROST, Mr. LANCASTER, Ms. PELOSI, Mr. PARKER, Mr. ACKERMAN, Mr. DEWINE, Mr. GILMAN, Mr. COUGHLIN, and Mr. MRAZEK.

H. J. Res. 272: Mr. SLAUGHTER of Virginia, Mr. DENNY SMITH, Mr. RINALDO, Mr. SEXTON, Mr. DAVIS, Ms. SNOWE, and Mr. CRAIG.

H. Con. Res. 79: Mr. TRAFICANT, Mr. MACHTLEY, Mrs. COLLINS, and Mr. HORTON.

H. Con. Res. 105: Mr. LAGOMARSINO.

H. Con. Res. 131: Mr. COURTER, Mr. FRANK, Mr. MACHTLEY, Mr. WEISS, Mr. DELLUMS, Mr. ROGERS, Mr. DENNY SMITH, Mrs. SAIKI, and Mr. FAUNTROY.

H. Con. Res. 132: Mr. AKAKA, Mr. DELLUMS, Mr. TRAFICANT, Mr. STARK, Mrs. COLLINS, Mr. FAUNTROY, Mr. NEAL of Massachusetts, Mr. MARKEY, Mr. FRANK, Mr. FLIPPO, Mrs. LLOYD, Mr. TOWNS, Mr. ACKERMAN, and Mrs. JOHNSON of Connecticut.

H. Con. Res. 134: Mr. SMITH of New Hampshire.

H. Res. 128: Mr. McHUGH, Mr. BUSTAMANTE, Mr. COYNE, Mr. HYDE, Mr. SHAYS, Mr. CAMPBELL of California, and Mr. HENRY.

H. Res. 144: Mr. EDWARDS of Oklahoma and Mr. SMITH of New Hampshire.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

45. By the SPEAKER: Petition of the city council, Minneapolis, MN, relative to the funding of research on major illnesses, to the Committee on Appropriations.

46. Also, petition of the city council, Saraland, AL; relative to the extension of the Small Issue Bond Program; to the Committee on Ways and Means.

## EXTENSIONS OF REMARKS

THE PREVENTIVE HEALTH  
MEASURES ACT OF 1989

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. PANETTA. Mr. Speaker, I rise today to introduce legislation intended to expand the access of Americans to preventive health care and to increase the emphasis on preventive health in this country. Attention to prevention and to wellness programs is already on the rise, as more Americans realize that such programs can avoid considerable illness and death, improve overall health, and save money. The purpose of this bill is to further boost attention to disease prevention and health promotion.

Preventive health includes a wide range of measures and actions, such as: Decreasing the intake of fat and cholesterol, and therefore lowering one's risk of heart attack and stroke; stopping or cutting down on smoking, to decrease the risk for a wide range of life-threatening diseases; ensuring that expectant mothers receive adequate prenatal care, to prevent premature births and serious health problems; using mammograms to detect breast cancer at early stages; and testing for glaucoma and cataracts in the elderly to prevent loss of sight.

We are all aware of the rapid increase in health care expenditures that this Nation is experiencing. In 1987, Americans spent over \$500 billion on medical care, which represented over 11 percent of our gross national product and was a major increase from just a few years ago. In spite of this high figure, many persons continue to receive inadequate health treatment. As of 1985, an average of 17 percent of the U.S. population was not covered by any health insurance, and the number of Americans not covered is now approximately 37 million.

Several measures have already been introduced dealing with this very serious issue of providing health coverage for the millions of uninsured Americans, so I am not focusing on that specific matter in this bill. Preventive health measures can help significantly, however, by decreasing the overall need for health care, the costs to consumers and governments, and the overall demands on our already-overburdened health care system. In general, preventive measures cost less, and sometimes much less, than measures later needed to correct health problems. Therefore, the dollar value of preventive health is enough in itself to recommend it, along with the immense value inherent in improving health and avoiding unnecessary illness and death.

There are already a number of specific examples illustrating the costs that can be saved through preventive measures. Vaccinations, a very basic public health tool, can save large

amounts in health care costs in comparison to the relative small amount for vaccines. For example, vaccines for measles, mumps, and rubella save approximately 14 times as much as the cost of the vaccine, while those for polio save 10 times the cost. Every dollar spent on prenatal care saves nearly \$3.40 that would otherwise be spent to solve infant health problems. As for overall efficacy, the significantly greater attention paid to controlling hypertension, or high blood pressure, is thought to be a major reason for the 40-percent decline in deaths from coronary heart disease and 55-percent decline in stroke deaths between 1964 and 1984.

Health promotion and disease prevention is catching on in many ways in different parts of the country. In a recent survey of hospitals in my home State, California, 80 percent of the 292 hospitals that responded said they offer health promotion programs, and of those, 84 percent felt that such programs will be a permanent part of health care. The town of Pawtucket, RI, a largely blue-collar, mainstream city of 72,000, is carrying on an experiment over several years to encourage healthy living throughout its populace. The measures include striving to promote healthy eating, increased exercise, and decreased smoking, and the program thus far seems both popular and successful. In New Mexico, Senator JEFF BINGAMAN launched the "HealthNet" Program to encourage people throughout the State to change their diet and fitness habits, and lead overall healthier lives. By the end of its second year, over 44,000 New Mexicans in more than 640 workplaces and schools had participated, and Senator BINGAMAN has introduced a bill, the National Health Promotion Act, to encourage the creation of such programs in all States.

Mr. Speaker, the legislation being introduced today would promote preventive health and wellness programs in a number of ways. Under the Public Health Service, it would increase authorizations of two programs: "Project Grants for Preventive Health Services, and Preventive Health Block Grants." Funding for project grants, which fund public information and education grants for disease prevention and control, would be increased to \$10 million to enable more grants in general, and specifically for programs to deter smoking and substance abuse among children and adolescents. They are the groups most likely to begin smoking, and also among those most susceptible to peer pressure and advertising campaigns. A 1985 Office of Technology Assessment study estimated that cigarette smoking costs our economy \$65 billion annually in health care and lost productivity, which indicates a strong need for more programs to prevent and stop smoking.

The block grants would be increased to allow more programs at the State level, and a separate section would be added on demonstration projects for including preventive

health courses in schools training health professionals. The purpose of the latter provision is to increase attention to prevention among doctors and health professionals in general, in the hope that they will emphasize preventive measures more in their practice.

A third provision, increased authorization for the Maternal and Child Health Block Grant Program, would help attack the severe problem of infant mortality and severe infant and maternal health problems still facing this country. The National Commission on Infant Mortality, which is chaired by former Senator CHILES, just held a press conference at which it released its latest findings. Among these, the United States is now 19th among industrialized nations in infant mortality with 10.4 deaths for every thousand live births, a statistic of which we should truly be ashamed and at which we should be alarmed. In addition, figures in the United States range from 8.4 deaths per thousand births in North Dakota to over 21 deaths per thousand births here in the District of Columbia. That figure, which is far above that of some developing nations, is also shocking because it is probably indicative of the infant mortality rates in many of our cities with heavy poverty.

Congress recognized the severity of this problem by recently creating a separate infant mortality initiative, and this is a valuable step. The Maternal and Child Health Block Grant Program funds efforts throughout the country designed to improved maternal, prenatal, infant, and child health, so expanding it would further help decrease infant mortality and disease.

My bill also includes three provisions dealing with the Tax Code: Tax credits for certain health maintenance expenses and for caring for an elderly person in one's house, and an increase in the cigarette excise tax. The health maintenance provision would allow a 10-percent credit for up to \$500 in expenses for items such as weight reduction, stop-smoking, and exercise programs that are considered medically necessary. This provision would help those who could most benefit from such preventive measures, and hopefully increase the overall emphasis on preventive health in medical treatment in this country. The other credit, which is actually included in the section on home care, would offer a \$250 tax credit to taxpayers who care for a parent or other elderly dependent person in their home. This would provide some relief to the millions of persons who act as the primary caregivers for their parents, spouses, siblings, or others.

The last provision, a doubling of the current national excise tax on cigarettes to \$0.32 per pack, is a measure that has been proposed in this and in previous Congresses. It would be used here to fund the programs to be created by this act. As chairman of the House Budget Committee, I feel that it is important that any

● 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.



new legislative proposals also provide for the revenue needed to pay for them. I should also point out that this increase in the cigarette tax represents just one possible revenue source for paying for this bill's programs, and that I would certainly consider other possible sources as well.

In addition, I would like to observe that the doubling of this tax could in itself be an important preventive health measure. A University of Michigan economist estimated that such an increase would encourage nearly 3.5 million Americans to stop or decrease smoking, including over 800,000 teens and nearly 2 million young adults from 20 to 35 years old. Therefore, the increase could have the greatest effect on those we most need to reach.

Any funds remaining after paying for the programs created by the Preventive Health Measures Act would go into a trust fund earmarked for more tobacco education and preventive health programs. This fund is similar to one established by a successful 1988 California ballot initiative that more than doubled the State cigarette excise tax, sending it from one of the lowest in the country to the second highest.

The final section of this bill is a set of provisions intended to prevent disease, and hold down severity of illness, among the elderly and other Medicare beneficiaries. As you know, since its inception, the primary purpose of Medicare has been to cover the cost of treatment of acute-care conditions, and coverage is generally limited to care that is reasonably necessary for treatment of an illness or injury. Guidelines state that preventive health services should generally be provided only if furnished as a part of services rendered while treating a disease or injury.

Medicare catastrophic coverage enacted last year included a small but important departure from this: The establishment of a new benefit allowing mammography screenings every 2 years for women over 65. This is important because susceptibility to breast cancer generally increases with age, and mammography screening has been shown to be a highly effective detector of problems, and therefore a major preventive health tool. My bill would add a basic type of preventive examination that is not now covered: Routine vision and hearing screening, including testing for glaucoma, every 2 years. Recent data shows that large numbers of the elderly have either cataracts or glaucoma, so routine testing in this area could help prevent or minimize severe vision problems, including blindness, in many elderly persons. In addition, the bill would provide for annual podiatric exams for persons diagnosed as having diabetes. This is intended to avert some of the severe foot problems experienced by many with diabetes.

Finally, the Preventive Health Measures Act would expand Medicare home care services and establish a Medicare adult day care benefit along the lines of two bills I introduced earlier in the session: The Older Americans Alternative Care Act, and the Medicare adult day care amendments. While these may not seem like preventive health measures in the traditional sense, both home care and adult day care are often alternatives to hospitalization or institutionalization, and therefore to much greater health expenditures. This is partly be-

cause routine health monitoring carried out for persons in home or adult day care often detects, and enables early treatment of, conditions that might otherwise land beneficiaries in hospitals. In addition, evidence for the health-promoting aspects of adult day care was found in a 1982 evaluation of adult day care centers in California. This study found that 87 percent of the seniors participating in the programs maintained or improved their level of functioning, a fact that is especially significant given that 63 percent of the participants were eligible for institutionalization according to Medicare field office criteria.

Mr. Speaker, it is high time that our Nation devote more attention to preventive health. Such measures make sense in many ways: In the pain and suffering that will be avoided; the generally better physical condition, and higher quality of life, that can be achieved for millions of Americans; in the millions and perhaps billions of dollars that can be saved by citizens and by Government at all levels. At a time when health expenditures are spiraling out of control and a large budget deficit strains our Government and economy, but also when Americans seem to be paying greater attention to health promotion, I urge my colleagues as well to give greater focus, as well as resources, to disease prevention and health promotion efforts. Such an investment could yield some returns in the short run, and great dividends and benefits in the long run.

#### INTRODUCING LEGISLATION TO AMEND THE PFIC RULES

**HON. ROBERT T. MATSUI**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. MATSUI. Mr. Speaker, today, together with my colleagues, Congressmen THOMAS and JENKINS, I have introduced a bill which would amend the Internal Revenue Code of 1986 so that U.S. companies conducting active business operations through foreign corporations are not treated as if those active operations were earning passive tax haven-type income. This amendment is necessary because the passive foreign investment company [PFIC] provisions of sections 1291-1297 of the Internal Revenue Code of 1986 operate in many cases to penalize such active business operations.

As originally conceived, the PFIC provisions were targeted at individuals who were investing in offshore mutual funds located in tax haven jurisdictions, and achieving unwarranted tax advantages. Specifically, unlike an investor in a domestic mutual fund, the investor in the offshore fund could effectively earn passive income from investments without paying current U.S. tax, and, upon redeeming his investment, this tax haven income was only taxed at favorable long-term capital gains tax rates.

As enacted, however, the PFIC provisions were much broader than this, in some cases treating stockholdings of U.S. businesses in foreign subsidiaries earning substantial active business income as investments in tax haven mutual funds. One reason for this was that the PFIC provisions can apply to U.S. corpora-

tions with controlled foreign subsidiaries. For instance, if an American company has a selling subsidiary in one of its overseas markets, that subsidiary could become a PFIC merely because the balance in its local bank account containing income from sales equaled more than 50 percent of its assets. When the PFIC rules apply, however, all of the selling subsidiary's income is treated as if it were passive tax haven-type income, including its income from sales. In addition to being unwarranted, applying the PFIC rules to such active sales operations does not promote our competitiveness abroad.

Where an American company uses a controlled foreign subsidiary to earn passive tax haven-type income, the subpart F provisions of the Code have for over 25 years provided complete protection against any abuse. Those provisions require that passive income earned through a foreign subsidiary be currently taxed to the U.S. owners of that subsidiary. Thus, the subpart F provisions prevent the chief abuse against which the PFIC provisions were targeted. Moreover, when the U.S. shareholder sells its stock in the controlled foreign corporation, the gain on the stock is treated as ordinary income to the extent of previously undistributed profits of the corporation. Thus, there is no need for the PFIC provisions to apply where subpart F already prevents the problem.

The PFIC provisions clearly reach far beyond the abuse that was Congress' concern in enacting those provisions, and place unnecessary burdens on U.S. competitiveness abroad. Accordingly, the bill we have introduced today would exempt from the PFIC rules the foreign business operations of U.S. persons that already are subject to the anti-abuse rules of subpart F.

The bill we have introduced would also remove the "asset test" from the rules for determining whether the PFIC provisions shall apply. Under the asset test, a foreign company conducting substantial business operations is a PFIC if its assets are 50 percent "passive" in character, regardless of the type or amount of income actually earned. This test can result in the PFIC provisions reaching substantial nonpassive income.

The PFIC provisions could have simply provided that U.S. investors in a foreign corporation would be taxed currently on their pro rata share of the passive income of that corporation. The PFIC provisions, instead, operate by imposing current taxation only if a substantial part of the foreign corporation's income or its assets is passive in character. Where this is the case, U.S. investors are taxed currently on their share of all of the corporation's income. This rule only makes sense if substantially all of the corporation's income is passive. It makes no sense if substantially all of the corporation's income is active operating income.

The fact that at least 50 percent of the foreign corporation's assets is passive does not justify taxing U.S. investors as if all of the corporation's income were passive, since the mix of active and passive assets of a foreign corporation may bear no relationship to its mix of active of what constitutes a "passive" asset. For instance, the Internal Revenue Service has classified working capital as a "passive"

asset, even though it is obvious that every active business requires working capital.

As an example of how the asset test can operate unfairly, consider a foreign corporation whose primary business is providing architectural and engineering services and that it leases the office space that it uses. Although 95 percent of the corporation's gross income may be derived from rendering services, it is very likely that less than 50 percent of its assets are employed in generating services income since the architectural and engineering business has minimal capital needs, and working capital is treated as passive. In that situation, all of the corporation's income would be treated as passive income even though only 5 percent of its income is, in fact, passive. Clearly, this is grossly inappropriate. The only relevant criterion for determining whether or not all of a corporation's income should be treated as passive income is the ratio that actual passive income bears to total income. Thus, the asset test should be deleted.

It might be argued that excluding U.S. shareholders of controlled foreign corporations from the scope of the PFIC provisions solves the major problem of those provisions, and thus it is not necessary to also eliminate the asset test. However, there are numerous instances where U.S. companies become involved in foreign joint ventures—in corporate form—where local law prohibits majority ownership by nonnationals, or where the business arrangements make majority U.S. ownership impossible or impractical. Where U.S. persons invest in such arrangements, they should not be penalized by the application of the PFIC rules where the foreign corporation is not earning substantial passive income. Accordingly, the asset test must also be deleted to insure fairness to these minority U.S. investors in active businesses.

We would urge our colleagues to support this bill, which restricts the reach of the PFIC provisions to the abuse originally targeted by Congress, so that those provisions do not unnecessarily hobble our international competitiveness or unfairly treat investors in active businesses as holding interests in tax haven type operations.

#### TRIBUTE TO JOHN B. (JACK) GILBERT

#### HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. LAGOMARSINO. Mr. Speaker, I rise today to ask my fellow Congressmen to join me in recognizing John B. (Jack) Gilbert as the first recipient of the "Hall of Fame Award" given by the Ventura County Economic Development Association [VCEDA], Ventura, CA.

As the recipient of this award, Mr. Gilbert, founder and chairman of TOLD Corp., in Oxnard, CA, was honored for his significant contributions to economic and commercial development in Ventura County, CA.

Mr. Gilbert's business success began more than 40 years ago. In 1952, he founded the Zero Corp., a multimillion dollar NYSE company. Over the next two decades, this small,

sheet-metal manufacturing corporation grew to become one of the Nation's leading electronic packaging houses.

In 1973, after 21 years as its director, Mr. Gilbert turned over the day-to-day operations of Zero to his management team, but continued to play an active role in the corporation as chairman of the board. In the same year, Mr. Gilbert moved to Ventura County, CA, where he founded the Thousand Oaks Land and Development Co.

In 1983, Gilbert shortened the name of his company to TOLD Corp., and extended its range of services to include every aspect of commercial and industrial real estate. Today, TOLD has operations in five States and includes eight corporate divisions specializing in industrial and commercial development, residential development, financial services, construction, real estate sales and leasing and property management.

In Ventura County, TOLD has been responsible for the development of more than 4 million square feet of commercial properties and the construction of several facilities including Channel Islands Business Center.

In addition to his outstanding contribution to business, Gilbert is also an associate member of the University of Southern California Century Club and the Editorial Advisory Board of the Southern California Real Estate Journal.

In 1987, Gilbert was recognized as one of the top real estate executives of the year by Executive magazine while TOLD has been ranked among the top 100 industrial and commercial developers nationwide.

It is obvious that John B. (Jack) Gilbert has contributed a great deal to both his profession and his community. He is a fine example of a businessman and a distinguished citizen. I ask, then, that my colleagues join me in congratulating Mr. Gilbert and wishing him continued success in the future.

#### OIL BILL

#### HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. McEWEN. Mr. Speaker, I rise today to introduce a bill which will alleviate a problem which faces many small oil and gas producers in Ohio. This is a problem which has not been properly addressed by Mineral Leasing Act, and one which would be in the best interests of both the United States and these producers to change.

As you know, Mr. Speaker, under the changes made in 1987 to the Mineral Leasing Act, all oil and gas leases must be leased competitively. This change was made to prevent abuses of the noncompetitive lottery leasing system. However, this change discriminates against producers who leased private lands which, though later sold to the U.S. Forest Service, reserved the mineral rights for a number of years. These producers were given leases to develop these minerals, and many did so believing that when the mineral rights reverted to the United States, the leases would revert as well. However, the change in the law causes their leases to

become null and void, forcing the leases to be put up for competitive bidding.

The changes made in 1987 clearly did not take this situation into account. These producers are small producers, with small wells. The Bureau of Land Management has performed a study of the area, and estimates that the average well owner makes roughly \$4,000 per year. From this a standard royalty rate of 12.5 percent is removed, plus the labor, maintenance, supplies, and capital expenditures. All in all, BLM estimates the profit margins are equivalent to that of a money market account in a bank. The majority of these wells produce maybe 150 barrels of oil yearly. Clearly, this is a situation involving small producers who are earning low profits while at the same time contributing to the United States by utilizing the minerals which would otherwise go untapped.

These small producers are penalized by this law, which would take from them not only the land they leased in good faith, but the time and capital they put into the equipment and labor to drill and produce. They created the wells, and are now told that when the mineral rights revert, they must walk away from them. It is possible for speculators with larger financial resources to outbid these small producers, thus taking from them in one fell swoop the well they developed. To add insult to injury, BLM has informed these producers that they must reach a private agreement concerning the equipment on the land with any new owner. It is obvious that such a situation would be a buyers market, with the original owner unable to use the equipment placed on the well, nor able to move it to another well.

The legislation I am introducing will not infringe on the basic purpose of leasing lands competitively, which is to ensure the United States a fair return on its resources. Instead, it will clarify an ambiguity in the law while upholding a principle maintained in the Mineral Leasing Act. This principle is the paying quantities principle. The Mineral Leasing Act provides that all Federal leases may continue so long as the well in question is producing oil and gas in paying quantities. Producers who leased private lands which later revert to the United States, however, are barred from this continuing lease because the leases are not technically Federal. This legislation would permit those producers holding mineral leases which revert the United States and which are producing oil or gas in paying quantities to continue the lease, paying all U.S. law provides for Federal leases to be continued as long as they are producing in paying quantities. The United States would benefit from the uninterrupted production at these wells, and would obtain a stable source of revenue. Although these wells are small, some of them have been producing since the late 1800's to early 1900's. One well drilled in 1923 is still producing today, although its owner sells one barrel of oil a year. While that may not seem like much, it is still one barrel less that the United States must buy from OPEC.

Finally, Mr. Speaker, you may be interested to know the opinion of the Forest Service concerning this idea, since many people are concerned with the environmental impact of mining actions. In 1987, the Forest Service



conducted a review of the actions in Wayne National Forest, where much of this action happens in Ohio. The Forest Service found that the staff in the forest does an outstanding job and has an excellent relationship with the people who are involved in different aspects of the forest. More importantly, however, the Forest Service analyzed the BML position on leasing, as mandated by the law, and recommended that the law be changed to remove the obstacles to the multiple use of this forest reserve.

Mr. Speaker, I am sure that you and my colleagues can see the merit of this legislation and its promotion of both the energy and environmental interests of the United States. These people are small producers who know their wells, they work with the Forest Service and the Bureau of Land Management to keep their operations within the law, and want only to continue what they have done in the past, turning over to the United States the royalties and rents which were paid to private owners. Mr. Speaker, I urge your support for this legislation.

#### TRIBUTE TO ANTHONY J. GIRARD

#### HON. RONALD K. MACHTLEY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. MACHTLEY. Mr. Speaker, it is my distinct pleasure to congratulate Anthony J. Girard, of Providence, RI, this year's recipient of the first annual Ronald K. Machtley Award for Mount Saint Charles Academy in Woonsocket, RI.

This award is presented to the student, chosen by Mount Saint Charles Academy, who demonstrates a mature blend of academic achievement, community service, and leadership qualities.

Anthony has clearly met this criteria by being an excelsior honor roll student for 6 years and a recipient of the Presidential Academic Fitness Award. His extracurricular activities include being on the executive committee of the student council for the past 4 years.

I commend Anthony for his achievements and wish him all the best in his future endeavors.

#### IN RECOGNITION OF RONALD W. THOMSON'S 39 YEARS OF SERVICE TO WOLVERINE FEDERAL SAVINGS ASSOCIATION

#### HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. SCHUETTE. Mr. Speaker, I rise today to honor Ronald W. Thomson who is retiring from Wolverine Federal Savings Banks after 39 years of service. Mr. Thomson, a life long resident of Midland, has had a long and distinguished tenure with Wolverine Federal. He began in 1950 after graduation from Central Michigan University. In 1954 Ron was named the treasurer of the association, and in 1973

he was promoted to secretary treasurer. In 1976 he was appointed to the board of directors, and named vice president and secretary. Finally in 1983 Ron was appointed executive vice-president of the association.

Ronald's contributions go far beyond his impressive work experience. He has long been an active and important contributor to the community. He was a member of the Financial Managers Society, as well as founding member of the Saginaw Valley Chapter of the Institution for Financial Education. Ron and his wife Donna, are also members of St. Bridget's Church.

Mr. Speaker, I ask that you join me in saluting Ronald W. Thomson. He has provided 39 years of outstanding service to Wolverine Federal, and has been active in the community in his efforts to assist others. Please join me in wishing Ronald, Donna, and their three children the best in the future.

#### SUNEETA KRISH WINS NATIONAL MAP CONTEST

#### HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. YATRON. Mr. Speaker, earlier this month, I told you about a bright and talented high school student named Suneeta Krish. Suneeta is currently a senior at Governor Mifflin High School in Shillington, PA.

I am again focussing attention on Suneeta because she was recently awarded first place in the nationwide "Discover Early America Map Contest." This contest was sponsored by the Commission on the Bicentennial of the U.S. Constitution and thousands of students from all over the country competed in the contest. Each student participating in the competition was required to decorate a map of the United States depicting significant events in early American history. The contestants' entries were judged for historical accuracy, artistic creativity, and imagination.

Suneeta's outstanding showing in this contest has earned her a trip to Washington, DC, where she will meet former Chief Justice of the Supreme Court, Warren Burger, who is the Chairman of the Commission on the Bicentennial of the U.S. Constitution. In addition, Governor Mifflin High School will receive a check for \$5,000 due to Suneeta's excellent work.

Mr. Speaker, Suneeta Krish is truly an extraordinary young woman and her talents and ability are manifest in her distinguished finish in the "Discover Early America Map Contest." I congratulate Suneeta on her fine achievement and wish her continued success and good fortune in all her future endeavors.

#### COMPACT OF FREE ASSOCIATION WITH PALAU LEGISLATION

#### HON. RON de LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. DE LUGO. Mr. Speaker, in March, 65 Members joined me in cosponsoring legislation to authorize a Compact of Free Association with Palau to be put into effect when it is approved by Palau. House Joint Resolution 175 would also provide Palau with help it needs to tackle serious problems which have prevented approval of the compact to date.

House Joint Resolution 175 is identical to legislation agreed upon in a compromise just minutes too late to be enacted in the 100th Congress. Under the compromise, the executive branch would fulfill all of the requirements of the House version of the legislation in the last Congress, House Joint Resolution 597, without being required to do so by statute. The Congress, in turn, would pass a Senate substitute with one mutually agreed-upon amendment.

Unfortunately, the Reagan administration did not take the actions it could to implement the compromise.

When House Joint Resolution 175 was introduced, I said that, as chairman of the Subcommittee on Insular and International Affairs, I would seek approval as soon as the new administration took the actions it could to implement the compromise. The administration was told that one thing it could do was enter into an additional agreement with Palau committing to implement the requirements of the compromise.

The Bush administration then said that it would honor the compromise. Since then, the State Department official who agreed to the compromise last year has been negotiating a subsidiary agreement.

The first two drafts of the agreement he proposed fell short of the requirements of the compromise. But he is meeting in Guam with Palau's representatives this week and I am hopeful that they will reach the necessary agreement.

The chairman of the committee of the other body with jurisdiction over insular matters said last month that the Senate would not act on the legislation this year because time had run out for the compromise. I do not think that time has run out already; but I would agree that it will soon run out.

The mutually agreed-upon amendment to the Senate bill would, for example, make it possible to settle Palau's crippling \$48 million power facilities debt for \$32 million; but the settlement requires payment this fiscal year.

Earlier this year, Palau's leaders said—as they did last year—that the requirements of the last Congress' House Joint Resolution 597 offer the only chance of the compact being approved by their people. The consensus necessary to enable the compact to be approved by the required 75 percent majority vote is increasingly threatened as the administration has dragged its feet and tried to chip away at the compromise.

If the necessary agreement is reached, I will propose expeditious action. Inaction on the other side of the Capitol could prevent approval; but I would hope that the Senate will stand by the compromise.

#### A TRIBUTE TO LUANNE PRYOR

##### HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. ANDERSON. Mr. Speaker, I rise today to pay tribute to Ms. Luanne Pryor, "Woman Democrat of the Year for the 58th Assembly District." Ms. Pryor's extensive civic and professional experience distinguishes her as a dedicated citizen and deserving of this honor by the Los Angeles County Democratic Party. I feel proud to have constituents such as Luanne in Long Beach, and I am happy to take this opportunity to express my appreciation for Luanne's time, effort, and commitment to her community.

Ms. Pryor is a native Californian who received a bachelor of arts degree from California State University, Long Beach. In addition, she received a degree of master of administration, planning and social policy from the Harvard Graduate School of Education with cross registration at Harvard Business School and the John F. Kennedy School of Government.

Dedication, improvement, and community service are words which follow Luanne throughout her career. Time and again she has shown initiative and proven herself a leader who is willing to accept new challenges and responsibilities. For instance, in December 1985, Ms. Pryor was honored with a Distinguished Service Award by the Cabrillo Chapter of the American Institute of Architects for "dedication to the improvement of the community."

Presently, Ms. Pryor is with Williamson Pryor, a firm which she founded in 1984, which specializes in community and public relations, serving corporations, statewide councils, commissions and foundations. In addition, she is vice chair of the 58th Assembly District and reporting chair to the mayor and city council's Task Force on the Homeless.

In 1984, Luanne was appointed to the mayor's task force, "Infrastructure, Year 2000," and in 1985, she was appointed to the Beach Bike Path Committee. These are committees which are especially familiar to me and my Committee on Public Works and Transportation.

Other appointments Ms. Pryor has accepted include the Coalition for Historic Long Beach Steering Committee, the Cable Communications Advisory Commission, and the mayor's task force on Restructuring City Government.

My wife, Lee, joins me in extending our congratulations to Luanne Pryor today as Woman Democrat of the Year. Luanne is a truly remarkable citizen who had dedicated her life to serving her community and fellow citizens. We give Ms. Pryor our best wishes today and in the years ahead.

#### WELCOME GENERAL SECRETARY JAVIER PEREZ DE CUELLAR

##### HON. KWEISI MFUME

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. MFUME. Mr. Speaker, today I rise to extend greetings from the city of Baltimore to U.N. General Secretary Javier Perez de Cuellar and U.N. Under Secretary Dr. Nafis Sadik. Both of these distinguished gentlemen are in Baltimore to receive honorary doctorates of humane letters from the Johns Hopkins University. Secretary de Cuellar will be giving the commencement speech before more than 3,000 graduating students from Hopkins' eight academic divisions.

Mr. Speaker, we in Baltimore are very honored that Secretary de Cuellar accepted the invitation to address the 113th commencement ceremonies of Johns Hopkins University. During Secretary de Cuellar's distinguished 43-year association with the United Nations, he has earned the respect and admiration of millions of people from all over the world. Secretary de Cuellar's tireless efforts helping feed and clothe destitute populations, end devastating regional conflicts and promoting international peace are examples of his dedication to the founding principles of the United Nations.

In closing, the citizens of Baltimore and the State of Maryland have a deep concern for peaceful and just resolutions in international affairs and know full well of the dedicated work of Secretary de Cuellar. We are very aware and content that an honest, thoughtful individual was selected 7 years ago to guide such a prominent international institution.

#### FAREWELL TRIBUTE TO MARTIN BURKE OF THE IRISH EMBASSY

##### HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

##### HON. THOMAS S. FOLEY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. DONNELLY. Mr. Speaker, as the chairman and honorary chairman of the Congressional Friends of Ireland, we take this opportunity to say goodbye to Mr. Martin Burke, the Irish Political Counsellor to Washington, who will leave the Irish Embassy here this summer to become the Irish Ambassador to Australia. On a personal note, Mr. Speaker, Martin's departure will be a sad one for us; not only do we respect Martin's abilities and expertise, but we also consider him a close personal friend. He will be missed when he leaves to take his new assignment.

Mr. Speaker, it is with a mixture of sadness and pride that we take this opportunity to make a farewell tribute to Martin, who has been in Washington since 1985. Martin will be leaving soon and it is with pride that we wish him well on his new endeavors. But it is with sadness that we say goodbye, for Martin has become a close and trusted friend to all mem-

bers of the Friends of Ireland in the U.S. Congress.

Martin began his career toward Ambassador status in 1971, when he entered the Department of Foreign Affairs as Third Secretary. His career took him to London, the Hague, and as liaison between the Irish Government in Dublin and the political parties in Belfast. He then came to the United States in 1985, which is how we know him best.

Since 1985, much has changed in the relationship between the United States and Ireland. Our Nation has always had a unique and special relationship with Ireland, for fully one in seven Americans is of Irish descent. But in 1985, America's two most well-known Irish politicians: President Ronald Reagan and House Speaker Tip O'Neill were of Irish descent and both had a special place in their heart for the land of their forefathers. Martin arrived here at that time, a moment rich with promise for development of a closer relationship between our two countries.

That commitment for stronger ties was first expressed by the Anglo-Irish Agreement Support Act, passed unanimously by the U.S. Congress and signed into law by President Reagan. That Act was an expression of U.S. support for the historic Anglo-Irish Agreement which, then and now, provides the best hope for an end to the violence in Northern Ireland. As a concrete expression of America's support for the agreement, Congress has consistently provided financial assistance to the International Fund for Ireland, an entity which makes grants to businesses seeking to locate in Northern Ireland.

During the debate about American contributions to the Fund, it was to Martin that we turned for guidance and assistance. He was able to articulate his Government's views on the Anglo-Irish Agreement and the International Fund. Martin's assistance in this regard was especially valuable this year, as Congress considered new restrictions on U.S. contributions to it. By obtaining accurate statistics, Martin helped the Friends of Ireland prevent a cutoff of U.S. assistance to the IFI.

As the Congress considers substantive reforms in U.S. immigration law, Martin has also been of great assistance to the Friends of Ireland. The current U.S. immigration structure indirectly discriminates against countries in Western Europe—such as Ireland—whose emigrants do not have strong family ties in the United States. Yet many Irish citizens who wish to work here are unable to do so because of U.S. immigration policy.

Congress has attempted to address this problem in many ways. The NP-5 program, created in 1986 and extended in 1988, is one major example. Introduction of legislation in the House making wholesale revisions in U.S. immigration law and passage of that legislation in the Senate is another.

Through these legislative initiatives, Martin's assistance has proven invaluable. Not only by sharing the progress of our legislation with his Government, but also by sharing his Government's views with us, sound, responsible legislation has been crafted.

Mr. Speaker, whether the issue has been U.S. investment in Ireland, immigration reform, trade or tax policy, or any one of the dozens



of issues which Martin followed for his Government, the Friends of Ireland knew that we could count on him as an adviser and consultant, but also as a friend. The Australian Government and its Parliament will enjoy knowing Martin and working with him as much as we have, and we will miss him when he is gone.

So, Mr. Speaker, we take this opportunity to say goodbye and good luck to Martin. Although one of Ireland's expressions is perhaps overused in the United States, it is appropriate as Martin leaves: "Until we meet again, may God hold you in the palm of His hand."

#### RETURNING EXCESS TAX RESERVES TO UTILITY CUSTOMERS

**HON. ROBERT T. MATSUI**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. MATSUI. Mr. Speaker, today I and 19 cosponsors have introduced legislation to permit \$19 billion of excess tax reserves held by utility companies to be returned to utility ratepayers in the form of rate reductions over a 3-year period beginning on January 1, 1991.

Before enactment of the Tax Reform Act of 1986, regulated utility companies accumulated book reserves for future tax liabilities, which reflected the use of accelerated depreciation for tax purposes and straight-line depreciation for regulatory purposes. By using accelerated depreciation for tax purposes, utility companies postponed their tax liabilities until future years, when depreciation deductions would be exhausted. Before 1986 these firms accumulated reserves with the expectation that they would pay taxes at a 46-percent rate. Since the Tax Reform Act of 1986 reduced the corporate tax rate to 34 percent, part of the accumulated reserves—the 12-percent difference between the rates—have been excess reserves. The excess deferred taxes will never be paid as taxes: They must be returned to the ratepayers.

Section 203(e) of the 1986 act interfered with the ability of public utility commissions to adjust utility rates to account for return of excess deferred taxes to ratepayers. That provision requires excess tax reserves to be returned in the form of rate reductions no more rapidly than over the remaining number of years used to depreciate, for regulatory purposes, property the accelerated depreciation of which gave rise to the reserves. The provision was motivated by a concern that public utility commissions might act to return excess tax reserves in rate reductions in a single year. Such an immediate flowthrough of the excess tax reserves could seriously disrupt the cash-flows of utility companies and their investment programs. In some cases, companies might need to borrow to augment the reduced cash coming from ratepayers.

After considered review of this issue, my colleagues who have joined me as cosponsors of this bill and I have concluded that section 203(e) of the Tax Reform Act of 1986 overly restricts the legitimate role of State public utility commissions in setting utility rates. This is

not really an issue of Federal tax policy. The legislation we introduce today gives utilities commissions the authority to return excess deferred taxes to ratepayers, but no more rapidly than pro rata over a 3-year period. That period would begin no sooner than January 1, 1991. Before any adjustment in rates, public utility commissions are expected to hold public hearings on proposed rate changes, giving affected companies a full opportunity to present their case for a longer flowthrough period. Under the bill, present law rules would continue to apply until the public utility commission acts. If the present law rules permit faster flowthrough, present law treatment would continue. Should a public utility commission determine that a slower flow-through period is appropriate, it will be free to set a period longer than 3 years.

The bill introduced today restores the legitimate prerogatives of State public utility commissions, yet protects against actions that could seriously disrupt the financial status and plans of utility companies. The bill has no significant effect on Federal tax receipts. I urge my colleagues to support this bill.

#### THE 25TH ANNIVERSARY OF THE PERFORMING CENTER OF THE PERFORMING ARTS

**HON. ROBERT J. LAGOMARSINO**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. LAGOMARSINO. Mr. Speaker, it is my honor to rise in celebration of the anniversary of the Pacific Conservatory of the Performing Arts [PCPA], which has been providing quality theater to the Santa Maria area for 25 years.

PCPA's theaterfest had humble beginnings, originally housed in an unused two-story section of building left over from a World War II flying school. It had no theater and no drama department, but the president of Allan Hancock College Walter E. Conrad realized the importance of arts in education and to the Santa Maria Community. In 1964, 21 students and a professor built a platform stage before 120 plastic seats and called it the interim theater. In January 1965, it opened with "A Man For All Seasons" and all 10 performances played to a full house. Interest within the community for the theater grew and in 1967, ground was broken on the new Marian Performing Arts Center. The Pacific Conservatory for the Performing Arts was on its way.

PCPA boasts more than 2,000 talented alumni in its 24 year history. These professionals have joined the world of Broadway, regional repertory theater, television and motion pictures as actors, designers, directors, writers, and craftsmen in all aspects of technical theater.

I am proud to be a part of the celebration honoring this farsighted organization that has evolved from a tiny theater into a progressive center for the arts that gives so much to its audience, its staff and its students.

#### OLDER AMERICANS FREEDOM TO WORK ACT

**HON. BOB McEWEN**

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. McEWEN. Mr. Speaker, it is certainly my pleasure to rise today as an original cosponsor of the Older Americans Freedom to Work Act. This measure repeals the Social Security earnings test for recipients aged 65-69. This relief has been necessary for many years, and continues to be crucial to the well-being of our Nation's elderly.

Recently the National Center for Policy Analysis [NCPA] released a study detailing how middle-income, elderly taxpayers face the highest tax rates imposed on any group in the history of our Nation. Much of this is due to the fact that any elderly earner who earns over \$8,880 loses \$1 for every \$2 of wages over that mark. Recently a constituent from the Sixth District of Ohio which I represent sent to the office a copy of a letter he wrote to the distinguished chairman of the Subcommittee on Social Security. In the letter, he detailed his difficulty in making ends meet, his desire to work honestly every day to take care of himself, and his frustration with the earnings test imposed on the work he did and the contributions he had made to social security over 30 years.

I am sure that my colleagues in the House of Representatives have received similar letters, and I am equally sure that these letters are the reason that cosponsorship number of the Older Americans Freedom To Work Act has broken the 100 mark.

As the NCPA report points out, the average age of our population is increasing, and will reach one retired adult for every two nonretired adults by the year 2030. These adults will be receiving benefits they knew about all their lives, yet will have fewer workers supporting them. This will cause a drain on our economy, as a smaller proportion of the population will be working. The Social Security earnings cap is a great disincentive to work. The repeal of this cap, however, will encourage more retirement age people to work.

This idea would mean that the years of expertise gained by these seniors would continue to contribute to our economy, the economy they helped to build over their lifetimes, and which is today one of the best and most stable in the world, as has been seen in the last few days by the rallying of the dollar on international markets. One criticism of this plan claims that removing the cap would be detrimental since the elderly would receive their benefits while earning additional income. But this criticism fails to realize that any loss by paying out social security benefits would be offset by income taxes and payroll taxes that everyone who works pays. In fact, the NACP report mentions that this offset would be between one-third to two-thirds the social security outlay.

In the 1930's, when this cap was placed, it was done to encourage older workers to make room for younger workers. As we can see with the aging of the population, there are

going to be fewer younger workers. Let's encourage one of our most valuable resources during this month of May when we are all taking time to recognize and honor the contributions that the elderly amongst us have done to make the country we are all so proud to live in today. I urge all my colleagues to co-sponsor and work for the passage of this legislation.

### HONORING LINCOLN HIGH SCHOOL

#### HON. RONALD K. MACHTLEY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. MACHTLEY. Mr. Speaker, I rise today to honor Lincoln Junior-Senior High School in Rhode Island, which has received national recognition for its excellence for the second time.

Everyone affiliated with this school, including officials, teachers, parents, and students have much of which they may be proud. This school was the only high school in Rhode Island, and 1 of only 176 in the Nation, which was selected as a blue ribbon school by the U.S. Department of Education.

At a time when we, as a country, are having to closely examine our system of education, it is refreshing to know that there are schools like Lincoln which are committed to innovative programs, challenging their students, and effectively meeting their goals. These aims are indeed vital if this country is to remain competitive in the 21st century and beyond.

As jobs become increasingly more technically oriented, our schools must be prepared to meet this challenge. Lincoln High is just such a school. Under the skillful guidance of Headmaster Howard Boyaj and a team of wonderful educators, this school has managed to make learning enjoyable, while also stressing discipline. In addition, its graduation requirements are strong, there is a core curriculum in place, and special emphasis is placed on geography—a weak spot for most students. Put all of this together, and you have a perfect blueprint for success.

I offer my warmest congratulations to Lincoln. Let us hope that other schools may follow its shining example.

### A CONGRESSIONAL SALUTE TO RENEE SIMON

#### HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. ANDERSON. Mr. Speaker, I rise today to pay tribute to an outstanding individual who has devoted years of her life to the Long Beach area. Renee Simon will be presented with the 1989 Humanitarian Award at the 26th Annual Humanitarian Award Dinner of the National Conference of Christians and Jews, to be held this evening, Thursday, May 25, 1989. This occasion gives me the opportunity to express my sincere appreciation for her many years of hard work and unending commitment.

A former member of the Long Beach City Council, and professor of public administration for the Graduate Center for Public Policy and Administration, Renee Simon is viewed as an outstanding leader. She is the founder and president of the Institute of Management Communications, an organization devoted to teaching more effective methods of communicating. In addition to her many professional affiliations, she is also heavily involved in community service organizations. Currently, she serves as chair of the Blanche Collins Forum, and endowment fund of Friends of the Long Beach Public Library, and as a member of the Redevelopment Agency of Long Beach, and a participant on the Community Review Panel of the Long Beach AIDS Prevention Program.

Renee's years of involvement have provided her with numerous honors, among them: Pi Alpha Alpha Distinguished Achievement Award, Who's Who in American Politics, and receipt of the first Susan B. Anthony Award of the Greater Long Beach National Organization of Women. Although she has been so generous to the Long Beach Community, her greatest allotment of time and energy belongs to her three children, Joel, Matthew, and Amy Simon Weiner, and her grandchild.

My wife, Lee, joins me in extending our congratulations to this caring and giving individual. Renee Simon is truly a remarkable individual who has devoted her talents and energies to enriching the lives of so many other people. We wish this fine Long Beach citizen all the best in the years to come.

### RESULTS OF THE HISTORIC OAS MEETING ON THE SERIOUS CRISIS IN PANAMA

#### HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. RICHARDSON. Mr. Speaker, on Wednesday, May 17, the Ministers of Foreign Affairs of the member nations of the Organization of American States convened in Washington, DC, to consider the serious crisis in Panama in its international context.

This meeting was only the 21st meeting of Consultation of Ministers of Foreign Affairs in the long history of the OAS. The last such meeting occurred in May 1982 and dealt with the Falkland Island dispute.

The meeting resulted in passage of a resolution to send an urgent OAS mission to Panama to promote conciliation formulas for arriving at a nationwide accord that can bring about a transfer of power democratically.

The final resolution as passed at the meeting is identical to the draft resolution inserted below with one exception. The date on which the mission is to present its report was changed to June 6, 1989.

Following is the text of the resolution, one which I believe constitutes an important step toward mitigating the crisis in Panama. I submit this important document for my colleagues' review and consideration.

### DRAFT RESOLUTION

[Presented by the delegations of Argentina, Bolivia, Brazil, Colombia, Costa Rica, the Dominican Republic, Ecuador, Jamaica, Peru, Uruguay, and Venezuela]

The XXI meeting of Consultation of Ministers of Foreign Affairs, reaffirming:

That the true significance of American solidarity and good neighborliness can only mean the consolidation on this continent, within the framework of democratic institutions, of a system of individual liberty and social justice based on respect for the essential rights of man; and

That no State or group of States has the right to intervene, directly or indirectly, for any reason whatever, in the internal or external affairs of any other State; and

Considering:

That the grave events and the abuses by General Manuel Antonio Noriega in the crisis and the electoral process in Panama could unleash an escalation of violence with its attendant risks to the life and safety of persons;

That these events have abridged the right of the Panamanian people to freely elect their legitimate authorities;

That the outrageous abuses perpetrated against the opposition candidates and citizenry violate human, civil and political rights;

That the crisis, which involves internal and external factors, is escalating rapidly, and could seriously endanger international peace and security;

That the solidarity of the American States and the high aims which are sought through it require the political organization of those States on the basis of the effective exercise of representative democracy;

That every State has the right to choose, without external interference, its own political, economic and social system and to organize itself in the way best suited to it;

That the Organization of American States must offer its collaboration in promoting the measures required for an effective and urgent solution to the Panamanian crisis that will preserve the standards of inter-American comity;

That an essential purpose of the Organization of American States is to promote and consolidate representative democracy with due respect for the principle of nonintervention—a purpose that is being seriously jeopardized by the current political situation in Panama; and

That the continuation in force of the 1977 Panama Canal Treaties and compliance with them constitute a fundamental commitment of all of the Governments of the Americas that has received universal approval,

Resolves:

1. To entrust to the Ministers of Foreign Affairs of Ecuador, Guatemala and Trinidad and Tobago the urgent mission of promoting, with the assistance of the Secretary General of the Organization of American States, conciliation formulas for arriving at a national accord that can bring about, through democratic mechanisms, a transfer of power in the shortest possible time, and with full respect for the sovereign will of the Panamanian people.

2. To exhort the Government of Panama to cooperate fully in the implementation of this resolution.

3. To urge the authorities and all political forces in Panama to refrain from any measure or act that could aggravate the crisis.



4. To urge all States to cooperate in the implementation of this resolution.

5. To instruct the Mission to present to this Meeting of Consultation a report on the fulfillment of its mandate, to be considered at its session of June 5, 1989, the date on which the Meeting is convened so that further appropriate measures may be determined.

6. To exhort all States to refrain from any action that may infringe the principle of nonintervention in the internal affairs of States.

7. To keep the Meeting of Consultation of Ministers of Foreign Affairs in session as long as the current situation persists.

**TRIBUTE TO BERNARD H. KRAKOWER, LOS ANGELES BUSINESS COUNCIL CHAIRMAN OF THE BOARD**

**HON. HENRY A. WAXMAN**

OF CALIFORNIA

**HON. HOWARD L. BERMAN**

OF CALIFORNIA

**HON. MEL LEVINE**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. WAXMAN. Mr. Speaker, I, along with the gentlemen from California [Mr. BERMAN] and [Mr. LEVINE] would like to take this opportunity to pay tribute to the outstanding accomplishments of Mr. Bernard H. Krakower.

The Los Angeles Business Council is celebrating its 59th year of service to the community. The council's intent is to represent the interests of the business community while granting due consideration to environmental and social concerns. Council members generously volunteer their time in an effort to enhance the quality of life in Los Angeles.

As chairman of the council's board, Mr. Krakower has provided expert leadership for the council. Under his direction, the council completed several projects that have improved its ability to communicate with the community and expanded its involvement in legislative issues. The council also sponsored many events, including a series of breakfasts to discuss planned growth and development and a forum to consider the Los Angeles 2000 Report.

Mr. Krakower played a major role in planning for and dedicating the new Westwood Park Recreation Building. He also presided over a series of monthly membership meetings that dealt with a wide range of issues.

Outside of his work for the council, Mr. Krakower is a senior partner in the executive search firm of Krakower, Finnegan Associates. He earned a B.A. degree from the University of California at Los Angeles, and an MBA from Pepperdine University. Mr. Krakower and his wife, Sondra, a psychotherapist, have three daughters and one grandson.

Mr. Speaker, we extend our highest praise for the hard work and many achievements of Mr. Bernard H. Krakower and the Los Angeles Business Council.

**ANIMAL RIGHTS**

**HON. RON MARLENEE**

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. MARLENEE. Mr. Speaker, all of us in this House receive a great deal of correspondence calling for an end of animal lab research. As one who has owned and loved animals for all of my life, I would be only too happy to see an end of the use of animals in lab research. However, it has been proven time and again that computers cannot duplicate all the needed research to find the cures for diseases that still plague mankind.

For some families in America, the day for computers to take the place of animals in lab research is too far away. Their loved ones are dying before their eyes.

This week, a letter came across my desk from Danette Day of Sheridan, MT. Danette's two younger brothers, Scott and Greg are dying of mucopolysaccharide disease. This illness is rare, and the dedicated scientists who are trying desperately to find a cure for this disease need animals to assist them in finding a way to save Scott and Greg Day.

For those who call for a ban on the use of animals in lab research, let's save kids before we save the animals. Mr. Speaker, I insert this touching and poignant letter for the RECORD.

SHERIDAN, MT, April 14, 1989.

DEAR SIR: Many people with rare disorders rely on scientific research with animals to provide them with hope for the future. My two brothers and my family are among them. My brothers, Scott and Greg, have a terminal disorder affecting children which animal research has already benefited and stands to benefit more.

I am sixteen years old and a junior in high school from Sheridan, Montana. I write to you of this disease because it is so close to my heart. Pet owners have had cats and dogs diagnosed with this illness and have in turn offered them for research. They have provided us with much information regarding bone marrow transplantation (which my family is considering) and in the future with gene therapy.

I wrote the attached paper to help you understand that you hold in your hand the key to help my brothers and others with disorders that research helps, as well as their families.

Thank you for your time and consideration.

Appreciatively,

DANETTE DAY.

**THE AGONY OF DEFEAT**

"Some people come quickly into our lives and quickly go. Some stay for a while and leave footprints on our hearts and we are never, ever the same."

Many times in my thoughts a well known phrase runs through my head. "The Agony of Defeat." It comes to those trying but losing a race. There are many kinds of races. There are olympic races, sports, and politics, all have either medals to be won or positions of importance to be held. But this race, a never winning race, an always losing race, is a child's race. It is a race against time; to hang onto life, to watch dreams slip through your fingers. Desperately trying to keep hanging on as each day you watch the child lose another part of their life.

And then finally a day comes and your realize that all you have left is a dream that once was. Remember the joy you experienced? The joy that you received from their joy when you turned on the Christmas tree and saw the laughter and excitement in his eyes.

Now, you have to stay strong for them. It almost kills you to work a smile from their face by blowing them a kiss knowing that tomorrow may never come. For them there might not be another Easter or Halloween. Or worst of all, for them there might not be another Christmas. But still as you feel the agony of defeat; you have to stay strong and healthy for them. And all of this for what? To end in death? Nothing to be won?

No, there is something to be won. It may not be a medal to hang on your chest or a title to put on your desk. It cannot be replaced, lost, or taken away. It is something lasting that can be cherished in your hearts forever. It is the true meaning of life and love. Some say they are lucky, some people can live a lifetime without any experience of a love so deep and true.

To put it as gently as I can, MPS, Mucopolysaccharide diseases, eat away at their victims. They go on living while their systems are slowly dying.

An angel baby is brought home from the hospital for the first time. This little bundle of joy experiences love and devotion from mom, dad, and all his relatives; A sense of his family environment that will last throughout his childhood. Angel baby, Angel baby, how ironic! Especially when a rare genetic disease can make that name as literal as the blue skies above. It's not their fault, it's not our fault, but what can we do to help them?

Mucopolysaccharide storage disorders are a rare group of genetic degenerative disorders. They are caused by a lack of a specific enzyme which, in normal individuals, breaks down complex carbohydrate chains called mucopolysaccharides. These chemical reactions take place within the lysosomes, which are structures found in most cells. In affected children, the undergraded mucopolysaccharides are stored in the lysosomes. The abnormally stored material accumulates throughout the body causing complications that eventually lead to premature death.

What does all this mean to you? All the medical jitter-jabber means nothing to me. All I really care about is that innocent children are dying. Yeah, we know what the disease is. The question is what are we gonna do about it. Innocent kids are victims. We have to do something for them. But what?

As of this point in history no major genetic or medical breakthroughs have been discovered. All we can do is pray for the beautiful families that have been touched. To the parents we need to grant them serenity to accept the things they cannot change, the courage to change the things they can, and the wisdom to know the difference. The victims? We know you are the bundles of joy too exquisite to last and yet so very much more exquisite when passed.

**HONORING MEMORIAL DAY**

**HON. RONALD K. MACHTLEY**

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. MACHTLEY. Mr. Speaker, I rise on this most auspicious day to pay tribute to our Na-

tion's veterans. As a graduate of the Naval Academy, I feel a special kinship with the men and women who served in our Armed Forces and died in defense of our country. On such a day as this, the words of John Adams ring true and also have special meaning for me: "I study war, so my children can study politics, so their children can study poetry." These are, indeed, noble words to live by.

Memorial Day had its beginnings as a time of remembrance for those soldiers who died during the American Civil War. Nineteenth century newspapers tell stories of families of dead soldiers going to cemeteries where their loved ones lay and planting flags on their graves. But, they placed flags not only on the graves of their own, but also on the graves of boys who had fought on the opposite side. At the end of the day, the sight must have been truly spectacular—Union and Confederate flags waving, side by side, testament to the unity of this country.

This type of compassion may be viewed as a role model for us all, for in the Civil War, a bullet did not differentiate between regional affiliation, and brothers fell alongside brothers. Similarly so, in later wars, a bullet knew not race, creed, gender, or religion. It rendered all people equal.

On this day we are charged with the responsibility of remembering and honoring those brave men and women who gave so unselfishly of themselves for their country. And they gave of themselves all in the name of one simple, but beautifully poignant ideal—that of freedom.

This freedom is best embodied in our Nation's flag which has come to represent the multitudes of Americans who sacrificed their lives in defense of our freedom. But more than sacrifice and death, our noble "Stars and Stripes" stands for the courage and tenacity of these brave men and women. We must give voice then, today, to those Americans who can no longer speak. As DAV National Commander Kirby has said,

We who can speak out and defend our flag, must. We who can speak out and praise our fallen comrades, must. We who can teach the lessons of democracy, must.

#### IN RECOGNITION OF THE 50TH ANNIVERSARY OF THE MOUNT PLEASANT LIONS CLUB

**HON. BILL SCHUETTE**

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. SCHUETTE. Mr. Speaker, I rise today to honor the Mount Pleasant Lions Club on their 50th anniversary, June 3, 1989. The Mount Pleasant Lions Club has recently distinguished itself by devoting much time, energy, and money to those with sight and hearing disabilities. This generous organization has raised \$250,000 for these worthy causes in its 50 years of existence.

The Lions Club in Mount Pleasant is comprised of select members of the community that includes business and professional persons, industrialists, farmers, clergymen, educators, merchants, and many others. The stated purpose of the Mount Pleasant Lions

Club is to first determine the most urgent needs of the community and then develop appropriate means of meeting these needs.

Mr. Speaker, I ask that you join me in saluting the Mount Pleasant Lions Club for their 50 years of distinguished service, and the continued contributions that I am confident they will provide.

#### DEDICATION OF RAILROAD STATION IN COUNTY MAYO, IRELAND

**HON. BRIAN J. DONNELLY**

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. DONNELLY. Mr. Speaker, on June 18, 1989, in the west of Ireland, a railroad station in Kiltmagh, County Mayo, will be dedicated as a memorial to the tens of thousands of Irish individuals who left that country to seek a new and prosperous life in the United States. The dedication of this train station and an accompanying museum will be at the place where these Irish men, women, and children boarded trains to leave for America, as far back as 150 years ago.

Of course, much has changed over those one and one-half centuries. Then, the Irish people fled famine and abject poverty. Today, Irish individuals seek a new life in America for the many job opportunities available here. Today's and yesterday's immigrants sought a better life; many embarked from the railroad station in Kiltmagh.

Unfortunately, and sadly, America's doors are not as open to today's immigrants from Ireland. Our current immigration system, structured principally toward family reunification, tends to discriminate against those countries whose potential immigrants do not have immediate family members in the United States. Indeed, the current system all but ignores such important criteria as needed job skills. In my view, major reforms of the current system are needed.

Officiating at the dedication of the railroad station will be one man from my congressional district who has been of enormous assistance in seeking reforms to America's current immigration policy. Mr. Thomas Flatley left Ireland in 1950 to seek a better life in America; he departed from the same train station to be dedicated in June. Today, Mr. Flatley's successes in America are well-documented; Mr. Flatley has also demonstrated concern for those he left behind by testifying before both House and Senate committee on needed amendments to our immigration laws. I believe that it is Mr. Flatley's hope that through these efforts, future Irish immigrants passing through Kiltmagh can become as successful here as he.

The Irish immigrants who came here over those 150 years have helped make America the great land she is today. Fighting to help preserve our Union during the Civil War, building our industrial base at the turn of this century, and helping insure America's place as the most powerful Nation on Earth after World War II: That has been the contribution of those who passed through that railroad station in County Mayo.

Mr. Speaker, today there are 40 million Americans of Irish descent; through their veins flows the blood of an Irish immigrant. We in the United States are proud of that heritage—and we are proud to take part in the dedication of that railroad station where so many great journeys were begun.

#### IN PRAISE OF SCHOOL VOLUNTEERS

**HON. RON DE LUGO**

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. DE LUGO. Mr. Speaker, I rise to express my gratitude and admiration for six outstanding volunteers in the U.S. Virgin Islands, who have been honored for going into our public school classrooms to share their knowledge and talents with our students.

These 6 were recently chosen from among 1,355 people in the Virgin Islands, ranging from secondary students to senior citizens, who serve as volunteers in our schools. These volunteers gave more than 20,000 hours of their time last year, and they made an enormous contribution to the quality of education in our public schools. Our entire community benefits when merchants, hotel managers, journalists, retirees, students and teachers work together in a unified pursuit of excellence in education.

The Virgin Islands Department of Education recently recognized the following six individuals for their superlative effort:

Amantha Francis, a retiree who helped teach special education classes.

David Pike, a newspaper editor who introduced junior high students to the basic of journalism.

Leslie Milliner, a department store owner who promoted reading in an elementary school, which his firm has adopted.

Steve Parris, a high school student who helped run the Junior Reserve Officers Training Corps Program and supervise recess activities at an elementary school.

Marilyn Mackey, a travel agency owner who tutored at an elementary school and served on the board of the volunteer program.

James St. John, a hotel manager whose hotel offered training and tutoring for local students.

These 6 individuals and more than 1,300 others who perform similar volunteer services also were honored in an editorial in the Virgin Islands Daily News of May 19, 1989, which I want to enter into the RECORD here:

#### ADMIRABLE PEOPLE

Six residents who took time from their busy schedules to make life a little more meaningful for Virgin Islands student were honored recently.

These unsung heroes were among the more than 1,300 St. Thomas and St. John residents who volunteered regularly in the public schools this past year. Not only did all these volunteers share their time unselfishly with the students, they also saved the Education Department \$250,000 by contributing 20,172 hours.

Those commended for their service were retiree Amantha Francis, businesswoman



Marilyn Mackey, businessman Leslie Millner, Charlotte Amalie High School student Steve Parris, hotelier James St. John and journalist David Pike.

During these times, when the pressures of day-to-day life leave little free time and energy, it is admirable that these volunteers were willing to share their talents and experience so our students can have a broader, richer view of the world around them.

I concur with this editorial and am proud to add my praise for these volunteers who are enriching our public schools.

#### A CONGRESSIONAL SALUTE TO ROGER REYBURN

**HON. GLENN M. ANDERSON**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. ANDERSON. Mr. Speaker, I rise today to pay tribute to an outstanding individual who has devoted years of his life to the Long Beach area. Roger Reyburn will be presented with the "1989 Humanitarian Award at the 26th Annual Humanitarian Award Dinner of the National Conference of Christians and Jews," to be held this evening, Thursday, May 25, 1989. This occasion gives me the opportunity to express my sincere appreciation for his many years of hard work and unending commitment.

Roger Reyburn is an extremely active and highly visible member of the Long Beach community. Currently, he serves as a board member of the American Red Cross, Long Beach Community Hospital, Long Beach Public Transportation Co., the Chamber of Commerce, and Rotary Club of Long Beach. In addition to his involvement in the previously mentioned organizations, he also devotes his time and energy to the Long Beach Community Foundation, the Private Industry Council and the 49er Athletic Foundation, of which he was past president. Despite his heavy volunteer involvement, Mr. Reyburn is employed full time by General Telephone as the south coast division manager. He also devotes his time to his wife, Elizabeth, and their four children, Stephanie, Suzanne, Sam, and Matthew.

My wife, Lee, joins me in extending our congratulations to this caring and giving individual. Roger Reyburn is truly a remarkable individual who has devoted his talents and energies to enriching the lives of so many other people. We wish this fine Long Beach citizen all the best in the years to come.

#### FAREWELL TO REV. RICHARD LIPKA AND FAMILY

**HON. KWEISI MFUME**

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. MFUME. Mr. Speaker, probably one of the most difficult tasks for any human being, is to bid farewell to longtime friends and loved ones whose career or employment opportunities call them to relocate to different parts of the globe. Although one knows that the individual or persons who are leaving will always

be successful in any endeavor they undertake, an element of sadness and bittersweet emotions always accompany the final sendoff.

Mr. Speaker, the congregation of St. Mary's Episcopal Church in my home district of Baltimore City is now experiencing this phenomenon. After 17 years of dedication and commitment to the St. Mary's church family, Rev. Richard W. Lipka, his wife, Susan, daughters Pam, Sara, and sons, Adam and Jon will be leaving Baltimore for a new assignment in Hawaii. During his tenure with St. Mary's, Reverend Lipka was well known as a fine pastor, good adviser, gentle friend and family man.

Reverend Lipka and his wife, Susan, dedicated many long hours to the church since their arrival in 1972. Reverend Lipka, the son of Roman Catholic Polish immigrants, grew up in Delaware in a closely knit community before traveling to Europe, where he experienced a call to the ministry and later stayed in Europe to complete his theological studies. Susan Lipka, a native of Princess Anne on the Eastern Shore of Maryland, worked as a social worker in her hometown prior to marrying Richard. The Lipka's moved to west Baltimore where they both worked for awhile in the field of social services.

Mr. Speaker, St. Mary's church has truly grown, as have Richard's and Susan's spiritual commitment over the past 17 years. Susan has been actively involved in training for lay evangelism, while serving as editor of the parish newsletter, and traveling with her husband for Episcopal Renewal Ministries. Probably Susan's most significant contribution is her ministry of prayer, inner healing, and personal counseling.

Richard and Susan's eldest daughter, Pam, founded St. Mary's Christian School upon completing her undergraduate studies at Towson State University. Pam is also involved in the Episcopal Renewal Ministries youth program that has taken her all over the east coast.

Mr. Speaker, quoting from Genesis, when Laban said goodbye to his son-in-law Jacob, "May the Lord keep watch between you and me when we are away from each other \* \* \*." And so, as the St. Mary's congregation prepares to send the Lipka family off to their new church home and family, I am sure that Richard, Susan, and the entire Lipka family will adjust very well to their new surroundings and begin to make new friends and inspire many others through the Word of God.

#### NEW SOVIET LAWS

**HON. DON RITTER**

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. RITTER. Mr. Speaker, a dark cloud has appeared on the horizon of glasnost, although Soviet officialdom characterizes it as blue sky. To many at the forefront of change in the Soviet Union, it has brought uncertainty and fear. To most in the West it has gone unnoticed. On April 11, 1989, the front page of Pravda printed the text of a decree signed by Mikhail Gorbachev. In this law, the criminal code of the U.S.S.R. dealing with "state

crimes" has been amended. Despite Gorbachev's attempts to gloss over the implications of these new laws, they are clearly designed as a warning to intimidate would-be critics, dissidents, or nationalists into accepting glasnost on the state's terms—or else.

Mr. Speaker, these new laws mean that the legal foundation of glasnost and perestroika are made of sand. I will insert into the RECORD the recent comments given by Sergei Grigoryants, editor of Glasnost magazine on the "new" Soviet legal reforms. Furthermore, I am including the article "Soviet Legal Reforms" Ukrainian Weekly, May 7, 1989, into the RECORD. Additionally, so that all of America and my colleagues may see the new Soviet law themselves and judge, I will insert the translated law into the RECORD. I hope particular attention is paid to the deliberately vague wording in article 11(1) of this new law.

#### GRIGORYANTS ON SOVIET LEGAL REFORMS

(Following is a reaction by rights activist Sergei Grigoryants of Moscow, editor of Glasnost magazine, to the decree of the Presidium of the U.S.S.R. Supreme Soviet on new laws covering crimes against the state. The comments, made in a telephone conversation on April 13, were released in English translation by the Human Rights Commission of the World Congress of Free Ukrainians.)

We still don't know how this law will be applied . . . but it is in the same spirit of anti-democratic laws which were published in October. The law on demonstrations and on the use of internal military forces which are allowed to conduct searches without formal permission of the procurator; the law which allows shooting of women and children.

I believe the law will be applied selectively, at the whim of the government. This new decree parallels some of Stalin's most Draconian laws. No one after Stalin has ever enacted such monstrous laws.

I believe it is an obvious violation of the Vienna Final Document, violation of the right of freedom of speech, freedom of the press, freedom to express personal views about officials and institutions. There is a very sharp and obvious worsening of the situation in the Soviet Union. Unfortunately, people in the West don't see it yet.

One does not have to be very astute to see that the law which replaces Article 190(1) is far worse, although Article 190(1) was reprehensible not so much because of its legal formulation but in its practice and application . . . Under the new article, punishment is prescribed for criticism of any Soviet official, any person elected to any position, not to mention any Soviet institution. The meaning of this law is that even if one has good reason to call a secretary of the city council a villain, one has committed a crime against the state, one has offended an employee of the state, one has discredited a state organization . . . This is such a fantastic law and so unbelievable, the entire population of the Soviet Union can be arrested, starting with Gorbachev and ending with a caretaker. Everyone in the Soviet Union has something against a government organization or an employee of it, and now that is a crime against the state.

As a matter of fact this law was applied immediately upon publication. I had a call yesterday [April 12] from a Jewish group. They were going to have a meeting for which permission was given and later withdrawn, upon publication of the law, because

one of the four agenda items was to condemn the activities of the anti-Zionist committee. The meeting was forbidden because people have no right to discredit a government organization. Now you cannot say anything even against a kindergarten if the teachers are bad. This also is a government organization.

[From the Ukrainian Weekly, May 7, 1989]

#### SOVIET LEGAL REFORMS

On April 11, the Soviet press published the decree of the Presidium of the Supreme Soviet on amendments to the law "on criminal liability for state crimes." This was the much-awaited legal reform that Soviet officials have promised for nearly two years, the new laws that were supposed to conform with democratic principles.

Bohdan Horyn of the Ukrainian Helsinki Union described the new laws as "a total reversal to anti-democratic methods in our political and social life." This decree, he said, is not the first "reactionary law" instituted during the Gorbachev regime; it was preceded by a decree on meetings and demonstrations, and an anti-democratic law on elections. The West, he said, has swallowed the Soviet's so-called democratization and thus gives its "tacit approval to such anti-democratic measures."

Let's take a look at the laws themselves.

Article 7, states that "Public calls for the overthrow of the Soviet state and social system," or for its change by methods contrary to the USSR Constitution, or for obstructing the execution of Soviet laws for the purpose of undermining the USSR political and economic system, and equally the preparation for purposes of dissemination or the actual dissemination of material containing such calls "are punishable by deprivation of freedom for up to three years or a fine of 2,000 rubles; when committed repeatedly by an organized group or via technical means designed for large print runs, the penalty is up to seven years' deprivation of freedom or a fine of up to 5,000 rubles; when such acts are committed on instructions from abroad, or involve the use of assets or technical means received from abroad, the punishment is even more severe: deprivation of freedom for between three and 10 years.

Previously, Soviet law, as provided in Article 70 of the Russian SFSR Criminal Code, stated: "Agitation or propaganda carried on for the purpose of subverting or weakening the Soviet regime or of committing particular, especially dangerous crimes against the state, or the circulation for the same purpose of slanderous fabrications which defame the Soviet state and social system, or the circulation or preparation or keeping, for the same purpose, of literature of such content shall be punished by deprivation of freedom for a term of six months to seven years, with or without additional exile for a term of two to five years, or by exile for a term of two to five years." For repeat offenders, or for crimes committed during wartime, the punishment was deprivation of freedom for three to 10 years, with or without additional exile for two to five years.

The law that replaces the previous anti-Soviet slander provisions covers "The public insulting or defamation of the USSR supreme organs of state power and government, other state organs constituted or elected by the USSR Supreme Soviet, or officials appointed, elected or approved in office by the USSR Congress of People's Deputies or the USSR Supreme Soviet, of public organizations and their all-union

organs constituted according to law and acting in conformity with the USSR Constitution" and provides that this be punishable by deprivation of freedom for up to three years or a fine of up to 2,000 rubles.

The earlier law on slander covered "The systematic circulation in an oral form of fabrications known to be false which defame the Soviet state and social system and, likewise, the preparation or circulation in written, printed or any other form of works of such content" and stipulated that the punishment was deprivation of freedom for a term not exceeding three years, or by corrective tasks for a term not exceeding one year, or by a fine not exceeding 100 rubles.

A new law covering "deliberate actions aimed at inciting national or racial enmity or dissension, degrading national honor and dignity, and any direct or indirect restriction on the rights or establishment of direct or indirect privileges for citizens depending on their race or nationality" provides punishment of three years' deprivation of freedom or a fine of up to 2,000 rubles; when these acts are combined with violence, fraud or threats, or when committed by officials—up to five years, or up to a 5,000 ruble fine; when committed by a group, or when involving loss of human life, or other grave consequences—up to 10 years' deprivation of freedom.

A careful reading of the old and new laws reveals that, yes, the law on "overthrow of the Soviet state and social system" tightens up the previous broadly worded and widely applied law on "anti-Soviet agitation and propaganda." However, the law's stipulation that this crime, when committed by an organized group or via high-tech means that make wide dissemination possible deserves a more severe penalty, surely is meant to curtail activities of certain groups and their appeal to a broad audience. Equally troublesome is the provision that when such acts are committed on "instructions from abroad" or use "technical means received from abroad," which seems designed to limit contacts with foreigners and is so vaguely worded that it may be broadly applied.

In regard to the law on "insulting and defaming" organs and officials of the state and public organizations, it must be pointed out that whereas the prior law on slander covered "fabrications known to be false," the new law is actually less precise, makes no distinction as to the truth or untruth of the insulting or defamatory statements, and upgrades this offense to a state crime, as opposed to a regular criminal offense.

And, the new law on "infringement of national or racial equality"—even as acknowledged by the official Soviet press (commentaries in Pravda and Izvestia noted that they are especially targeted at activists in the Baltic and Caucasian republics, and Ukraine)—is aimed directly at nationalist troublemakers throughout the USSR.

What then, do we make of this "democratization" of the Soviet law? Frankly, not much. If this is all there is to Soviet legal reform, then the West should make its dissatisfaction known in no uncertain terms by refusing to attend the special conference on humanitarian affairs that has been slated by Helsinki Accords signatories for 1991 in Moscow. Soviet legal reform is, simply put; out of synch with the promises made, formally and informally, by the Soviets.

[Decree Amending Law on Criminal Liability Published PM 1004154189 Moscow Izvestiya in Russian 11 Apr 89 Morning Edition p 3]

["USSR Supreme Soviet Presidium Decree On the Introduction of Amendments and Addenda to the USSR Law 'On Criminal Liability for State Crimes' and Certain Other USSR Legislative Acts"—Izvestiya headline]

[Text] The USSR Supreme Soviet Presidium resolves:

1. To introduce the following amendments and addenda to the USSR Law "On Criminal Liability for State Crimes" dated 25 December 1958 (VEDOMOSTI VERKHOVNOGO SOVETA SSSR, 1959, Issue No 1, p 8; 1961, Issue No 21, p 222; 1984, Issue No 3, p 58):

1. Articles 7 and 11 are to read as follows: "Article 7. Calls for the Overthrow or Change of the Soviet State and Social System.

"Public calls for the overthrow of the Soviet state and social system or for its change by methods contrary to the USSR Constitution, or for obstructing the execution of Soviet laws for the purpose of undermining the USSR political and economic system, and equally the preparation for purposes of dissemination or the actual dissemination of material containing such calls—

"are punishable by deprivation of freedom for a period of up to 3 years or a fine of up to R2,000. "The same actions, committed repeatedly either by an organized group of persons or involving the use of technical means designed or adapted for large print runs

"are punishable by deprivation of freedom for a period of up to 7 years or a fine of up to R5,000. "Actions falling within parts 1 or 2 of this article, committed on instructions from organizations abroad or their representatives or involving the use of material assets or technical means received from the aforementioned organizations

"are punishable by deprivation of freedom for a period between 3 and 10 years."

"Article 11. Infringement of National or Racial Equality.

"Deliberate actions aimed at inciting national or racial enmity or dissension, degrading national honor and dignity, and any direct or indirect restriction on the rights or establishment of direct or indirect privileges for citizens depending on their race or nationality—

"are punishable by deprivation of freedom for a period of up to 3 years or a fine of up to R2,000. "The same actions, when combine with violence, fraud, or threats or when committed by officials.

"are punishable by deprivation of freedom for a period of up to 5 years or a fine of up to R5,000. "Actions falling within parts 1 and 2 of this article, when committed by a group of persons or when involving loss of human life or other grave consequences

"are punishable by deprivation of freedom for a period of up to 10 years."

2. To supplement the Law with Articles 7(1) and 11(1), reading as follows:

"Article 7(1). Calls for Commission of Crimes Against the State.

"Public calls for betrayal of the motherland or the commission of a terrorist act or sabotage—

"are punishable by deprivation of freedom for a period of up to 3 years or a fine of up to R2,000."

"Article 11(1). Insulting or Defaming State Organs and Public Organizations.



"The public insulting or defamation of the USSR supreme organs of state power and government, other state organs constituted or elected by the USSR Congress of People's Deputies or the USSR Supreme Soviet, or officials appointed, elected, or approved in office by the USSR Congress of People's deputies or the USSR Supreme Soviet, or public organizations and their all-Union organs constituted according to law and acting in conformity with the USSR Constitution—

"is punishable by deprivation of freedom for a period of up to 3 years or a fine of up to R2,000."

II. To introduce the following amendments to USSR legislative acts:

1. In part 2 of Article 7(1) of the Fundamentals of Criminal Legislation of the USSR and Union Republics, ratified by the USSR Law of 25 December 1958 (VEDOMOSTI VERKHOVNOGO SOVETA SSSR 1959, Issue No 1, p 6; 1972, Issue No 22, p 176; 1973, Issue No 11, p 157; 1974, Issue No 18, p 275; 1983, Issue No 51, p 784; 1987, Issue No 28, p 437; 1988, Issue No 10, p 152), the words "infringement of national and racial equality under aggravating circumstances" should be added following the words "especially dangerous state crimes."

2. In part 1 of Article 28 of the Fundamentals of the Administration of Criminal Justice of the USSR and Union Republics, ratified by the USSR Law of 25 December 1958 (VEDOMOSTI VERKHOVNOGO SOVETA SSSR 1959, Issue No 1, p 6; 1961, Issue No 26, p 270; 1963, Issue No 16, p 181; 1981, Issue No 33, p 966; 1984, Issue No 3, p 58), the words "7 (anti-Soviet agitation and propaganda)" should be replaced by the words "7 (calls for the overthrow or change of the Soviet state and social system), 7(1) (calls for the commission of crimes against the state)."

III. The Supreme Soviet Presidium of union republics are instructed to bring the legislation of union republics in line with the present decree.

IV. The present decree comes into force on the day of its publication.

[Signed] M. Gorbachev, chairman of the USSR Supreme Soviet Presidium.

T. Menteshashvili, secretary of the USSR Supreme Soviet Presidium.

Moscow, Kremlin, 8 April 1989.

## IKE'S 100TH ANNIVERSARY

### HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. GOODLING. Mr. Speaker, the year 1990 brings about the celebration of the 100th anniversary of the birth of one of America's greatest wartime leaders and Presidents, Dwight D. Eisenhower. Located within my congressional district in Gettysburg, PA, the Dwight D. Eisenhower Society has for years undertaken efforts to keep memories of Ike alive. In anticipation of the 100th anniversary, the Society is asking for personal stories, recollections, or anecdotes from those who knew him. If Members or their constituents can be of assistance in this effort, please contact the president of the Society at the following address:

Mr. John E. Bex, The Dwight D. Eisenhower Society, Box 1990, Gettysburg, PA 17325.

## EXTENSIONS OF REMARKS

### RESTORATION OF EASTERN AIRLINES TO FULL OPERATIONS

#### HON. JOHN LEWIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. LEWIS of Georgia. Mr. Speaker, today, I am introducing a House resolution calling for the restoration of Eastern Airlines to full operations under new ownership and management.

The restoration of the airline would foster the goal of industry competition as established by the Airline Deregulation Act of 1978. The sale of Eastern Airlines would serve the interests of its employees, creditors, customers, and the communities, States, and regions of the country that Eastern serves. As you may know, thousands of Eastern employees who reside in my Atlanta congressional district have been devastated by the shutdown of the airline. Not only have Eastern employees been adversely affected by the shutdown, but terminal vendors, foods service providers, as well as other subcontractors have also been adversely impacted by the shutdown.

Frank Lorenzo and many potential buyers of Eastern Airlines have come very close to reaching accords on the purchase of the airline, only to have the deals fall apart as a result of minor differences. We call on Frank Lorenzo to negotiate in good faith so that an Eastern that is intact and competitive may get back in the air.

I urge my colleagues support this simple sense of Congress resolution calling on the parties involved in the Eastern sale, to come to a prompt settlement in order that Eastern employees may get back to work.

### TRIBUTE TO OTTO GRAHAM OF CLEVELAND BROWNS FOOTBALL TEAM

#### HON. MICHAEL DeWINE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. DeWINE. Mr. Speaker, I would like to take a few moments today to pay tribute to a man who is among the true giants in sports history, the legendary quarterback of the Cleveland Browns and member of the Pro Football Hall of Fame, Otto Graham.

By anyone's yardstick, Otto Graham's accomplishments on the field were extraordinary. During his career, which spanned 10 seasons from 1946 to 1955, Graham amassed 23,584 passing yards, 1,464 completions, and 174 touchdowns—a remarkable record of accomplishment. He was an all-league selection 9 times in those 10 years.

Individual statistics alone cannot represent the full measure of Otto Graham's contribution to professional football. We also need to consider the overwhelming success of the teams Graham led during his brilliant career. Only then can we fully appreciate Graham's impact on the game. Graham was the heart of a Cleveland offense that during his career averaged nearly 28 points per game. During Gra-

ham's 10-year career, the Cleveland Browns reached the league championship game every year. Every year. In those 10 years they won 7 league championships—4 in the old All-American Football League and 3 in the NFL. That remarkably consistent record of excellence was due in no small part to the talents and leadership of Otto Graham.

But, just as his individual numbers don't paint a complete picture of Otto Graham the football player, his contributions on the football field are not a full accounting of Otto Graham the man. The same courage and fierce determination he displayed on the field have served him well in his personal battle against cancer. Throughout the years, Otto Graham has worked countless hours for charitable causes, making personal appearances, doing public service announcements, and in general setting a fine example of public service and personal fortitude of which all Ohioans can be proud. I want to commend Otto Graham for his many accomplishments on the field and off, and wish him all the best in the future.

### A CONGRESSIONAL SALUTE TO JAMES P. ZARIFES

#### HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. ANDERSON. Mr. Speaker, I rise today to pay tribute to an outstanding individual who has devoted years of his life to the Long Beach area. James P. Zarifes will be presented with the "1989 Humanitarian Award" at the 26th Annual Humanitarian Award Dinner of the National Conference of Christians and Jews, to be held this evening, Thursday, May 25, 1989. This occasion gives me the opportunity to express my sincere appreciation for his many years of hard work and unending commitment.

James P. Zarifes is a native of Long Beach, who left this area only long enough to attend Stanford University. This year he celebrates 30 years of private practice as an attorney in Long Beach. Mr. Zarifes' contributions to the community are many and varied. He has been a past member and president of the Board of Education for both the Long Beach Community College District and the Long Beach Unified School District. His commitment to the community is also reflected by his involvement in the Junior Chamber of Commerce, the board of directors of the Boys Club of Long Beach, president of the Downtown Lions Club, and a board member for the Greek Orthodox Church.

James Zarifes has also received numerous awards; among them, he received the State of California's PTA "Public Service Award," was honored as 1 of only 47 outstanding alumni of Poly High School over a 75-year period, and was named one of the "Emerging Leaders" of the city of Long Beach. Joining him in full support of his unselfish commitment to the community, is his lovely wife of 29 years, Angie, and their three children, Peter, Michael, and Marina.

My wife, Lee, joins me in extending our congratulations to this caring and giving individual. James Zarifes is truly a remarkable individual who has devoted his talents and energies to enriching the lives of so many other people. We wish this fine Long Beach citizen all the best in the years to come.

#### TRIBUTE TO REVEREND WALTER HALL

#### HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. YATRON. Mr. Speaker, today I would like to pay tribute to one of the most recognized and inspiring figures of Heckscherville, PA. The person I am speaking of is the Reverend Walter Hall, pastor of St. Kieran's Church for the past 18 years. On June 4, 1989, Father Hall will celebrate his 40th anniversary Mass of Thanksgiving.

During his 40 years in the priesthood, Father Hall has played an important role in spreading God's word and administering his faith. Father Hall is a remarkable man and has touched the lives of many. His life has been devoted to spreading God's love and enriching the lives of others. We are indeed fortunate to have been blessed with his talents, commitment, and caring disposition for these many years and it is only fitting that Father Hall be recognized for the contributions he has made to Heckscherville and its residents. It is an honor and privilege to recognize Father Hall and to say congratulations and thank you for his many years of service.

#### TRIBUTE TO THE PATIENT ADVOCACY PROGRAM AT SAINT ELIZABETHS HOSPITAL

#### HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. FAUNTROY. The Patient Advocacy Program was established at Saint Elizabeths Hospital in the summer of 1978 with a mandate to protect patients' rights to quality treatment and care.

From its inception, the Saint Elizabeths program has been viewed as an effective measuring tool to ensure that hospital policies and procedures are consistent with patients' rights as individuals. The program was designed not only to undertake the investigation and mediation of complaints and grievances concerning individual rights, but also to include activities associated with the development of systems advocacy, citizen advocacy, inter and intrainstitutional referral as well as mechanisms for addressing legal concerns.

Patient advocacy as an organized and systematic program of consumer protection in health care, had its genesis in the Civil Rights movement which provided the impetus for a wide range of efforts to expand individual rights and protections. Advocacy on behalf of the institutionalized mentally ill has become a recognized, necessary and accepted mechanism

for assuring that the rights of the mentally ill are protected and the standards of mental health care are maintained and improved.

The Patient Advocacy Program was designed to be non-adversarial in nature, and to focus on developing policies and procedures to aid in foreseeing and preventing practices which might result in the violation of individual rights. It is a major premise of the program that promotion and protection of patients' rights result in substantial reduction of the probability of nontherapeutic outcomes.

This nonadversarial approach utilizes a statistical analysis of reported violations, abuses, complaints and grievances in order to identify those patterns which might indicate problems with the observance of patients' rights within specific units of the Commission on Mental Health Services. The program's aim is to provide policymakers with an early warning signal for the identification of systematic problems or issues which may require change in policy and institutional practice.

I rise today to pay tribute to this outstanding program that has been described as "the conscience" of our mental health system, and to commend Audrey N. Hazal, R.N., D.P.A., her staff and the Patients' Rights Council for accepting and meeting the challenge of the "rocky advocacy road".

In a time when compromise, indifference and mediocrity have rendered too many ears and hearts delinquent to the summons of compassion, justice and community, I am proud to salute the distinguished service of individuals who dare to challenge injustice and remind those who had forgotten, that God in the act of creation had not created a world of us and them but of community.

Delores R. King.  
Barbara Phelps-Goodwin.  
Diane L. Williams.  
Robert B. Kirkland, Jr.  
Thelma R. McIntire.

I invite my colleagues to join me in honoring these who have proven a force for securing justice, progress and hope for the last, the lost and the least of our city.

#### THE RETIREMENT FROM PUBLIC SERVICE OF FRANK MILLS

#### HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. CONTE. Mr. Speaker, I rise today to pay tribute to Frank Mills, of Danvers, MA, who recently stepped down from his long-held position of town moderator of Danvers. On February 27, 1989, Frank concluded 23 years of service to his community.

Frank was esteemed so highly by his fellow townspeople that he ran unopposed for 22 of those 23 years. Quite often, the mantle of responsibility falls upon certain individuals who care enough about their town to serve as facilitators, spokesmen, and leaders on efforts that improve the quality of life for all. Frank Mills is one of those individuals.

Mr. Speaker, Frank Mills has never faltered in serving his community and upholding the

highest standards of democracy. An expert parliamentarian, Frank led town meetings with a quick and sure authority. He took pride in Danvers and Danvers took pride in him.

An employee of my alma mater, Boston College, and a close personal friend, Frank Mills has been an inspirational leader in his hometown. Through the years, Frank has remained a tireless example of civic responsibility and has been the embodiment of the Boston College motto *Semper Praestare*, "ever to excel." Mr. Speaker, I salute Frank and appreciate this opportunity to inform my colleagues of his success.

#### OUTSTANDING SECONDARY SCHOOLS

#### HON. GEORGE J. HOCHBRUECKNER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. HOCHBRUECKNER. Mr. Speaker, I rise today to pay tribute to two high schools in my Congressional District, Ward Melville High School of Setauket, NY, and Mercy High School of Riverhead, NY. Both have been named by the U.S. Department of Education as 2 of 218 outstanding secondary schools across the Nation.

The Department's School Recognition Program identifies those institutions that have been especially effective in educating their students. Components such as teaching environment, learning environment, community involvement, parent involvement, leadership, and student achievement were assessed to determine the most outstanding schools. Such criteria demonstrate the importance of community and parental involvement. Education is not a process for students and teachers alone. Each member of the community must participate to make it successful. I am pleased to see that this approach is being recognized by our Nation.

The education of our youth is essential for the growth of our country and the success of future generations. In recognizing these fine learning institutions we set forth examples for all to follow in the educational process. I am extremely proud to be the Representative of a District which boasts such outstanding models of education. Please join me in saluting these schools.

#### TAPS

#### HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. HYDE. Mr. Speaker, on this Memorial Day 1989, millions of Americans will gather in towns and cities across this Nation to honor the brave men and women who have died so that we may live free.

I want to commend to my colleagues a poem entitled "Taps," written by Mr. Edwin J. Bray of Arlington Heights, IL, which I think expresses our collective emotion on this most important national holiday:



As the sound of taps float gently across the Nation on this Memorial Day, out of the mist of my mind they march.

From the beaches of Normandy, Bastogne, Guadalcanal, Bougainville, Tarawa and Trier, their faces forever young, for they have never aged.

No longer the horror of battle on their faces but eternal peace, for they have halloved the very ground where they fell, so that a grateful nation might breathe the precious air of freedom.

Fear not my fallen comrades, for we shall never forget you.

Our children and their grandchildren shall know of your valor, for I too, in the not too distant future, hear the faint sounds of taps and hope I shall have the honor to march among you.

# THE 100TH ANNIVERSARY OF THE INTERNATIONAL BOUNDARY COMMISSION OF THE UNITED STATES AND MEXICO

**HON. E de la GARZA**

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. DE LA GARZA. Mr. Speaker, the International Boundary and Water Commission [IBWC] of the United States and Mexico will celebrate its 100th anniversary during events scheduled for May 31 through June 2, 1989.

The IBWC was created by treaty between the United States and Mexico in 1889. Its initial purpose was to address boundary issues along the expansive frontier between our two great nations.

Since that time, the IBWC has grown into a permanent fixture in our relations with Mexico. The IBWC is a diplomatic giant in its own right. It fosters peaceful solutions to boundary and all-important questions of water usage along our border.

When I came to Congress in 1965, the U.S. section of the IBWC was led by the Honorable Joseph Friedkin. Commissioner Friedkin remained at the helm through every change of administration up until his retirement in 1986. During his lengthy tenure, the IBWC reached a level of diplomatic stature equal to the finest of our embassies and missions.

This tradition of diplomatic prowess has been ably carried forward by the current Commissioner, the Honorable Narendra N. Gunaji. Commissioner Gunaji continues the record of excellence which has always characterized the purpose and achievements of the IBWC. The Mexican section is superbly led by Commissioner Carlos Santibanez Mata and we proudly call him our friend.

To celebrate its 100th birthday, the United States and Mexican sections are jointly sponsoring an international symposium in El Paso, TX, and Ciudad Juarez, Chihuahua from May 31 to June 2. Distinguished speakers from the United States and Mexico will lecture on the history and mission of the IBWC.

The IBWC is a constant reminder of the friendship between the United States and Mexico. For 100 years it has quietly achieved a level of accomplishment in important border questions which could not have been possible without its unique forum and exceptional

leaders—both in the United States section and the Mexican section.

We are proud to acknowledge for our colleagues the great part in United States and Mexico relations played by the IBWC. As we move into the next century, we are certain the IBWC will play a prominent role in major environmental questions which affect the United States and Mexico.

## TRIBUTE TO CHARLES W. JOHNSON III

**HON. JAMES A. TRAFICANT, JR.**

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. TRAFICANT. Mr. Speaker, I rise today to ask that the House join me today to honor First Assistant Parliamentarian Charles W. Johnson III, who celebrated his 25th year in the House of Representatives on May 20, 1989.

Charlie was appointed to his office in 1964 during the administration of Lyndon B. Johnson by House Speaker John W. McCormack. Charlie graduated from Virginia Law School in 1963, and was soon admitted to practice by the D.C. Bar in 1965. He was then later admitted to practice in the Supreme Court in 1968.

Charlie is also one of the genuinely nicest people I have had the pleasure of meeting on the Hill. He always carries a warm, distinguished smile and is simply a fine individual. He and his lovely wife Martha have two wonderful sons, Drew and Charles. He constantly makes tough decisions on heated issues that affect major legislation.

Mr. Speaker, it is truly a great honor to pay tribute to this fine gentleman. I would, at this time, like to congratulate him on his many years of outstanding service to this great Nation. I would also like to wish him the best of luck in the future and for the next 25 years.

## THE MISSION OF THE "MAGELLAN"

**HON. TONY COELHO**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. COELHO. Mr. Speaker, I would like to take this opportunity to recognize the naming of NASA's most recent spacecraft, the *Magellan*.

Like the great explorer after which it was named, the *Magellan* was launched to explore new horizons and provide vital information in our quest to learn about uncharted territories. The *Magellan* mission will map up to 90 percent of the surface of Venus for the first time using a synthetic aperture radar instrument which will gather high-resolution mapping data.

Ferdinand Magellan (1480-1521) was a Portuguese explorer and soldier. Sailing westward in the service of Spain, he led the first circumnavigation of the globe, during which he made the first known crossing of the Pacific, and revealed the ocean's immense width. Magellan also provided an empirical, if as yet in-

complete, answer to the problem of the geographical relationship between the New World and Asia.

As a Portuguese-American, I am especially proud of the many contributions that Portuguese navigators made during the 15th and 16th centuries in exploring the New World. In honor of Ferdinand Magellan, and his many discoveries, I wish NASA equal success in its deployment of the *Magellan* mission to Venus.

## TRIBUTE TO MS. FRANKYE SCHNEIDER

**HON. HOWARD L. BERMAN**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. BERMAN. Mr. Speaker, it is with great pleasure that I bring to the attention of my colleagues one of California's distinguished public servants, Ms. Frankye Schneider, the recipient of the 1989 Helen Greenberg Memorial Achievement Award in recognition of her long career in public service to the San Fernando Valley.

For more than 14 years, Frankye Schneider has had a dynamic career in politics. Her sharp wit and unyielding commitment to local and statewide Democratic Party activities have earned her the respect and support of the San Fernando Valley community and the State of California. She is recognized as one of the most involved, dedicated, and effective workers for the many associations and programs designed to improve the quality of life in the San Fernando Valley.

Frankye's longstanding commitment to serving the San Fernando Valley includes a full spectrum of triumphs in several community organizations. She is a founding member of the Juvenile Justice Connection Project, the Democratic Party of the San Fernando Valley, and the former Valley Independent Democrats. Frankye has worked tirelessly with the United Way, the HELP Group, Amnesty International, San Fernando Valley Mental Health, Inc., several environmental groups, and various Democratic Party clubs in the San Fernando Valley to strengthen their involvement and service to the community. She is a woman of tremendous talent, dedication and energy who has built a record of excellence that is an inspiration to us all.

Frankye cares a great deal about what happens in our community and has worked vigorously on political campaigns that have had a lasting impact on Democratic Party activities.

Frankye has earned many well-deserved awards and on many occasions has been recognized for excellent performance and high professional standards. Frankye attended UCLA and is the proud mother of three children, Eric, Laurie, and John and is blessed with two beautiful grandchildren, Sara and Drew.

It is my distinct pleasure to ask my colleagues to join me in saluting Ms. Frankye Schneider, a truly dedicated citizen.

## MEMORIAL DAY 1989

## HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. HOYER. Mr. Speaker, today I rise to pay homage to the over 1 million Americans who lost their lives protecting the sanctity of our democratic Nation and fighting for the freedom of the oppressed and subjugated in other lands.

Memorial Day is the day that we have designated to recognize and honor those proud and courageous individuals who fought in defense of our country and the foundation of democracy.

Memorial Day has an extensive history. It has been documented that the first Memorial Day was observed in Waterloo, NY, on May 5, 1866. Flags were flown at half-mast, stores were closed, and flowers and crosses were placed on the graves of the war dead. Exactly 2 years later, Gen. John A. Logan, commander-in-chief of the Grand Army of the Republic, the organization of union veterans of the civil war, ordered the graves of the Civil War dead to be decorated with flowers and appropriate ceremony on May 30. In subsequent years individual States began observing Memorial Day on the same date.

Memorial Day as we know it now, honors all Americans who fought in defense of our Nation and includes those men and women who did not die in battle, but who died protecting the American flag. We must not forget the 241 proud, young servicemen who lost their lives in a bomb attack against the U.S. Marine Corps contingent to the multinational force in Beirut.

Furthermore, the 47 men who tragically lost their lives aboard the U.S.S. *Iowa* are still fresh in our minds. These brave young sailors are remembered as much today as their fellow sailors who lost their lives in the great navy battles of World War II.

On Memorial Day, we must not forget the war casualties that continue to scar the lives of the survivors, families, and friends of our war dead and protectors. The Vietnam war and its soldiers must not be forgotten. There are still over 2,000 prisoners of war or missing in action personnel who have not been brought home. Memorial Day is a day to reflect and remember these and all of the men and women who held the American flag in such high regard that they gave their lives for our country, and the American way of life.

Mr. Speaker, I would like to ask all my colleagues to join with me in remembering the proud and brave men and women who contributed so greatly and significantly to the history, strength, and prosperity of our country. Therefore, I hope all of us will take the time away from the picnics and beaches to pay homage to the defenders and protectors of our great democratic Nation.

## THE DEVIL'S BRIGADE

## HON. PAT WILLIAMS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. WILLIAMS. Mr. Speaker, do people still remember the World War II fighting unit called the Devil's Brigade? We should.

The Devil's Brigade was the military's first special service force. It came into being in 1942, growing out of the allies desperate need for a specialized troop of parachutists.

These men were to be trained to drop over scattered areas of Europe. Their initial mission was to sabotage enemy installations. It soon became apparent that this elite group must be prepared to be so versatile that they could undertake whatever tasks they would likely be assigned.

They became expert in sabotage, demolition, capture, mountain climbing, river fording. They moved behind enemy lines, did their work and fought their way out.

This Canadian-United States elite force first went into action in the Pacific theater and then in the Mediterranean, following the Sicily landing. They captured strategic Monte la Difensa, an extremely difficult piece of ground. Their determined fighting aided in the liberation of Rome and was the culmination of their valiant exploits on the battlefield.

The members of the Devil's Brigade were not only Americans but also Canadians.

Men from the two countries, were chosen from a select group of volunteers, fighting under extraordinary circumstances for a common cause.

We owe much to our Canadian allies who helped win World War II, particularly to those excellent soldiers who helped make up the first special forces. Because of their experience, some of these fighting men later settled in the United States and became U.S. citizens.

However, unbelievably they are ineligible for veterans health care in the United States. They fought with us and for us; they are now our neighbors, they are American citizens, but our Government turns away from helping them.

Mr. Speaker, today I am introducing a bill to provide hospital, nursing home, and domiciliary care and medical services, to individuals who participated in armed conflict with an enemy of the United States while serving during World War II in the former first special service force, a joint military unit of the United States and Canada.

There is precedent for this legislative action.

In 1976, Congress enacted legislation providing medical care and benefits to the members of the armed services of Poland and Czechoslovakia who participated in armed conflict against the enemies of the United States and who had been a United States citizen for at least 10 years. My bill will extend the same rights to medical care through the Veterans' Administration to those Canadians who served with the first special service force organized in Helena, MT.

Mr. Speaker, the survivors of the Devil's Brigade deserve our help. They are heroes—our heroes. Let's work like the devil to give fairness to the Devil's Brigade.

## CONGRESSIONAL CALL-TO-CONSCIENCE VIGIL ON BEHALF OF SLAVA USPENSKY

## HON. CHESTER G. ATKINS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. ATKINS. Mr. Speaker, I rise today to take part in the Congressional Call-to-Conscience Vigil. Over the past several weeks, we have heard proposals from the President, community leaders, and Members of the Congress all calling for some tangible recognition of the increased emigration of Soviet Jews that has been permitted over the past 2 years. Some have even called for a relaxation of the Jackson/Vanik restrictions that have denied favored trading status to any nation that restricts emigration.

Mr. Speaker, I would like to add my voice in recognizing the almost unprecedented numbers of emigres that have left the Soviet Union this year. I hope that this trend continues.

Nevertheless, Mr. Speaker, we must not lose sight of the thousands of Soviet Jews who remain behind. We must not forget that there are still hundreds of families that have been denied permission to emigrate. While it is true that we should be joyful about those who have left the Soviet Union, we must remember those who have not.

One of those families is the Uspensky family of Moscow. They have been trying to emigrate since 1981, and have been refused every time. The basis for this refusal is a security clearance which Mr. Uspensky's mother, Irina Voronkovich, held while she worked at the Ministry of Agriculture over 11 years ago. It is unclear to me, Mr. Speaker, what secrets she could still possess after a decade. Secretary Gorbachev himself has stated that State secrecy denial should last no longer than 10 years, yet the Uspenskys still languish in the Soviet Union.

Last winter, the Uspenskys decided to stop trying to emigrate as a family, and began concentrating all their energies on obtaining a visa for their son, Slava. Igor and his son staged a hunger strike during the Hanukkah holiday in order to highlight their plight. They were willing to fast until Slava was permitted to emigrate. The Soviet authorities ignored their compelling demonstration, and still refused to allow Slava to leave. Only when the earthquake struck Soviet Armenia and many of their friends needed assistance did the Uspenskys halt their hunger strike.

That a hunger strike was necessary at all is testimony to the arbitrary and capricious nature of the Soviet emigration process. Slava has initially been invited to join his cousin, Dimma Ioffe, in Israel, but was told that his cousin was not a close enough relative. When the "close relative" provisions were waived for a year, Slava was told he would have to get another invitation. The old one was apparently no longer valid.

There is more, Mr. Speaker. We have recently learned that Slava married Alla Mendeleva in a Jewish ceremony. The marriage was not recognized by the Soviet authorities be-



cause it was a religious ceremony. Alla has since emigrated to Israel with a visa she received before the marriage. She gave birth to Slava's first child a few months ago.

Glasnost has not reached Slava Uspensky. He remains in the Soviet Union, unable to leave. He is separated from his wife and has never seen his son. Why? Because of secrets his grandmother allegedly possessed from work she did almost a dozen years ago.

So, Mr. Speaker, it is well and good to recognize the increases in Soviet emigration, and to applaud the easing of restrictions. But there is still a long way to go before our vigil can end, and the denial of Slava Uspensky remains an obstacle we cannot ignore.

#### LEGISLATION TO REMOVE INEQUITIES IN TAX CONSOLIDATION BY LIFE INSURANCE COMPANIES

**HON. RICHARD T. SCHULZE**

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. SCHULZE. Mr. Speaker, today I am introducing legislation to rectify an inequity in current law which prevents life insurance companies from making use of consolidated tax returns in the same manner as other corporations. I am pleased to have my distinguished colleague from Connecticut, Congresswoman KENNELLY, join me as cosponsor.

While the different tax treatment was justified some time ago because of other special income tax rules for life insurance companies, those reasons are no longer valid since passage of DEFRA in 1984, the Tax Reform Act of 1986 and the Omnibus Budget Reconciliation Act of 1987. Moreover, the present law limitation on tax consolidation has the effect of diminishing overall capacity in the insurance industry, to the disadvantage of consumers. The legislation I am introducing would repeal certain provisions of the Internal Revenue Code to remove limitations on the use of tax consolidation by life insurance companies.

Let me describe the background and purpose of the legislation in more detail.

#### BACKGROUND AND PURPOSE OF THE LEGISLATION

Prior to the Tax Reform Act of 1976, life insurance companies, unlike other corporations, could not join in the filing of a consolidated return that included other types of corporations. The 1976 legislation partially lifted the ban against life-nonlife consolidated for taxable years beginning after 1980.

While the 1976 legislation accorded life insurance companies a greater measure of the consolidation treatment permitted for other corporations, it stopped short of parity, limiting the extent to which losses of companies not taxed as life insurance companies may be used against the income of a life insurance company in arriving at consolidated taxable income. Thus, under current law, the amount of loss which may be so used is limited to the lesser of 35 percent of such loss or 35 percent of the income of the life insurance company members. In addition, no life insurance company may join in the consolidated return until it has been a member of the affiliated

group for 5 years, and no loss of a company not taxed as a life insurance company may be used against the income of a life insurance company until the sixth year in which such companies have been members of the affiliated group.

These restrictions were based primarily on the fact that life insurance companies were taxed under special rules that differed from those applicable to other types of companies. However, changes under the Deficit Reduction Act of 1984 have made the tax provisions applicable to life companies comparable to those applicable to other corporations. Since other substantial changes were made under the Tax Reform Act and the 1987 Reconciliation Act to assure that all insurance companies are taxed on their full economic income, there is no longer any reason to deny to life-nonlife affiliated groups the full tax consolidation treatment that is generally available.

#### EXPLANATION OF THE LEGISLATION

The current life-nonlife consolidation rules under section 1503(c)(1) of the Code provide that the amount of nonlife company loss that may be taken into account in any one taxable year is limited to the lesser of: First, 35 percent of the taxable income of the life companies included in the affiliated group or, second, 35 percent of the losses of nonlife company—including any loss carryovers to that year. Additional restrictions are provided in two "5 year rules": One found in section 1504(c)(2), excluding a life insurance company from joining in a life-nonlife consolidated return unless the life company has been part of the affiliated group for 5 years; and the other found in section 1503(c)(2), precluding the use of losses of an nonlife company to offset income of life company affiliates unless the 5-year rule has been met by the nonlife company. These restrictions are made effective by section 1504(b)(2), that otherwise prohibits life insurance companies from joining in consolidated returns—except with other life insurance companies, as permitted under section 1504(c)(1). The bill would remove these restrictions by repealing the cited code provisions, with transitional rules mirroring those provided under the 1976 legislation.

#### PAN AM 103

**HON. MARGE ROUKEMA**

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mrs. ROUKEMA. Mr. Speaker, I rise to inform my colleagues that today I am introducing legislation in response to the bombing of Pan Am 103 over Scotland. You may remember last month I sponsored a concurrent resolution providing for a full congressional investigation into this terrorist incident, and it has received wide support in the House.

However, the other body has moved to establish an independent investigatory panel. While my original preference was for a congressional investigation, I am confident after discussions with the sponsors of this legislation, Senators FORD, LAUTENBERG, and MITCHELL, that this bill represents a fair compromise that the House should accept.

This legislation would create a nine-member commission, four of whom would be Members of Congress. The other members would be the Transportation Secretary, an official from the National Transportation Safety Board, one individual from the intelligence community, one from the aviation community, and, finally, a representative of the families of the victims of Pan Am 103. The Commission would report to the President and Congress on the adequacy of current aviation security regulations and terrorist threat dissemination procedures and make recommendations for needed changes.

It must be stressed that this compromise legislation is markedly different from an original Senate proposal which ignored the need for congressional input. Congress must have a significant role in this investigation since only Congress can enact legislation to correct the policy failures which led to the Pan Am bombing.

For those concerned that this panel would interfere with the FBI's criminal investigation, the strict intent of this legislation is to focus on the bureaucratic breakdown which occurred at the FAA, the State Department, and Pan Am prior to the bombing. This panel would concentrate on the policy issues and leave the criminal matters to the FBI.

In conclusion, this legislation offers the best chance for passage, and I hope all my colleagues will join me as cosponsors. It is time to stop talking about procedure. It is time to learn the full truth about the bombing of Pan Am 103 and to prevent future, avoidable tragedies.

#### A CONGRESSIONAL SALUTE TO GUS WALKER

**HON. GLENN M. ANDERSON**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. ANDERSON. Mr. Speaker, I rise today to pay tribute to an outstanding individual who has devoted years of his life to the Long Beach area. Gus Walker will be presented with the 1989 Humanitarian Award at the 26th Annual Humanitarian Award Dinner of the National Conference of Christians and Jews, to be held this evening, Thursday, May 25, 1989. This occasion gives me the opportunity to express my sincere appreciation for his many years of hard work and unending commitment.

It would be rather difficult to find a man more representative of Long Beach than Gus Walker. He was born in Long Beach, attended Poly High School in Long Beach, went to USC, and has been involved in Long Beach civic affairs for many years. Currently he is chairman of the board for Farmers & Merchants Bank. He has served as president of the California Bankers Association, Rotary Club of Long Beach, and the Council of Churches. He has also served as a board member of General Telephone, Metropolitan Water District, and the Chamber of Commerce.

Mr. Walker has been involved with the Downtown YMCA, which has been a long standing tradition in the Walker family. C.J. Walker, Gus Walker's father, was a member

of the original YMCA board of directors and served as president for 13 years. Gus has served as board president, and in 1984, he accepted a tribute to the Walker family for five generations of volunteer service to the YMCA. With 5 children, Richard, Kenneth, Donald, David, and Beverly Walker McLaughlin, 18 grandchildren, 18 great-grandchildren and more on the way, it is obvious that the Downtown YMCA should have no shortage of future Walker volunteers, or lack of better example of commitment to community service.

My wife, Lee, joins me in extending our congratulations to this caring and giving individual. Gus Walker is truly a remarkable individual who has devoted his talents and energies to enriching the lives of so many other people. We wish this fine Long Beach citizen all the best in the years to come.

**UNITED CONCERN CITIZENS  
ORGANIZATION, INC.**

**HON. MIKE ESPY**

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 25, 1989*

Mr. ESPY. Mr. Speaker, today I would like to turn our attention to a small, but important, organization in my district, the Second Congressional District of Mississippi.

The United Concern Citizens Organization, Inc., in Mound Bayou in Bolivar County is an excellent example of a community organization which is supporting and contributing to efforts by the Federal Government to help the less fortunate in our State.

This organization has sponsored projects to help the elderly. For example, UCCO organizes an appreciation dinner every year for senior citizens in Bolivar County. They were proud to sponsor their sixth annual appreciation dinner in December 1988.

The UCCO distributed food baskets for the needy during the Christmas Holidays. This organization was the first to set up workshops and seminars in the Mound Bayou area for the betterment of the community on economic development, stress management, political awareness, and cultural appreciation.

The UCCO members have consistently over the years been involved in voter registration. These efforts are continuing now.

These are just a few of the organization's many accomplishments. We should be supportive of groups such as these because they fill in the many gaps in social services which the Federal Government provides.

We need to do more to help these social service organizations, such as UCCO. Some might say that this is no time to propose new Federal and State programs to help the elderly, for example, or to help low-to-middle-income families be able to purchase a home. However, to those I say we can not afford not to address these problems for both fiscal and moral reasons. Until all Americans have a decent education, decent housing, and a decent job, all of America will suffer and will be held back from realizing her full economic potential.

The issue before us today is not whether to throw more Federal money at a problem;

rather, it is how to use our money more effectively and how to combine the private and public sector communities into a solid partnership that is both targeted and catalytic in purpose.

I congratulate UCCO on a job well done.

**TRIBUTE TO VICE ADM. ROBERT  
F. DUNN**

**HON. IKE SKELTON**

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 25, 1989*

Mr. SKELTON. Mr. Speaker, Vice Adm. Robert Francis Dunn, a friend and great American, is retiring from the Navy on May 31, 1989, after 38 years of distinguished service.

A native of Chicago, IL, Vice Admiral Dunn is a 1951 graduate of the U.S. Naval Academy. He has qualified in a variety of aircraft including single and multiengine, jet, prop and helicopter. Since October 1, 1988, he has been the Navy's Gray Eagle. A designation given to the naval aviator who has longest served on active duty.

Vice Admiral Dunn has commanded the aircraft carrier U.S.S. *Saratoga* (CV 60) for 2 years and the Command Ship U.S.S. *Mount Whitney* (LCC 20) for 18 months. His first sea duty was in the destroyer U.S.S. *Nicholas* (DD 449) during the Korean war. After flight training Vice Admiral Dunn flew A-1 Skyraiders and A-4 Skyhawks from attack carriers operating in both the Atlantic and Pacific. In 1967, he commanded Attack Squadron 146, flying combat missions from aircraft carriers Air Wing Seven in the Mediterranean and Carrier Group Eight in the Atlantic.

His shore tours included the naval postgraduate school where he earned a master of science degree, and the United Kingdom Joint Services Staff College in England. He was a flight instructor in Pensacola, FL and the Polaris Missile Special Project Office Representative in Sacramento, CA. He has also been Commander, Naval Safety Center; Commander, Naval Military Personnel Command; Chief of Naval Reserve; and Commander, Naval Air Force, U.S. Atlantic Fleet.

Vice Admiral Dunn has distinguished himself by exceptionally meritorious service to the United States in his most recent position of great responsibility, that of Assistant Chief of Naval Operations (Air Warfare) (OP-05) from January 1987 to June 1989.

As the principal advisor and assistant to the Chief of Naval Operations in matters relating to naval aviation, he has demonstrated dynamic personal leadership in formulating effective policies in areas of operational requirements, safety manpower and training, maintenance and support, force levels, and major naval aviation programs. He has served with distinction on numerous boards, committees, and counsels which established high-level naval policy and set the course of naval aviation for decades to come. He has personally been the driving force within the Navy Department for the coordination of naval aviation programs throughout the Department of Defense.

Vice Admiral Dunn served as OP-05 during a period marked by constrained budgets and

expanding worldwide commitments. Known and trusted by those in Congress, as well as those in leadership positions within DOD, his efforts were instrumental in the growth in resources devoted to naval aviation. He has been one of the Navy's most effective spokesman. Representing the Chief of Naval Operations before the Congress, various civic groups and the aerospace industry, his inspirational stewardship has dramatically improved the understanding of naval aviation's contributions to the Nation's defense.

Under his supervision, the SH-60F, S-3B and E-6A aircraft have been introduced to the fleet, the V-22, A-12, ES-3, and T-45 programs have progressed to the advanced developmental stages, and the P-7 [LRAACA] contractor has been selected for development of the next generation Maritime Patrol Aircraft. In addition, Congress has authorized construction of two more nuclear powered aircraft carriers. His strong advocacy of increased readiness has improved mission capability of maintenance availability rates. He has been responsible for major weapons systems programs and improved aviation munitions. He guided the continued modernization and preservation of fleet CV's through ship alterations, an improved Service Life Extension Program [SLEP], and the first ever systematic refueling program for nuclear CV's.

Vice Admiral Dunn has kept his finger on the pulse of readiness, aviation safety and the operational effectiveness of all naval aviation units. From this perspective, he has been able to ensure naval aviation is a combat ready force capable of performing across the full spectrum of potential conflicts. Due in great part to Vice Admiral Dunn's personal emphasis and strong support, aviation's safety record has improved in each of the last 3 years. His dedication to the goal of greater safety through required material support and operating experience, even though faced with competing programs and requirements for available funds, has resulted in the lowest aircraft mishap rate in the history of naval aviation.

Vice Admiral Dunn's many contributions to the Navy, and naval aviation in particular, have been most noteworthy. He has exhibited rare vision, insight, and inspirational leadership. He represents the highest caliber of naval officer and naval aviator whose 38 years of service to our Nation has left an indelible mark on the course of history.

**THE MILITARY FAMILY  
RELOCATION ACT**

**HON. PATRICIA SCHROEDER**

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 25, 1989*

Mrs. SCHROEDER. Mr. Speaker, today I am introducing the Military Family Relocation Act of 1989.

Permanent change of station [PCS] moves are commonplace for military service members and their families. Unfortunately, the mobile military lifestyle imposes emotional and financial hardships on military families and af-



fects the morale, performance, and retention of military service members.

Adding to the hardships of moving are the move-related costs military families end up paying out-of-pocket. In the July 1988 Army survey of Army military families, half of the spouses in the survey reported unreimbursed moving expenses of \$500 dollars or more on their last move. This is a burden that is unacceptable to put on our enlisted service members and their families.

Tight Defense dollars make relief for moving expenses doubtful, yet we can help military family members manage their moves, reduce expenses and help eliminate the stress accompanying moving.

The Military Family Relocation Act will do this. The bill will set up a series of relocation assistance programs on U.S. military bases here and overseas. The programs will be staffed by counselors, trained in relocation and armed with a computer system that will allow the programs to communicate with each other. The system will give military families, at their fingertips, up-to-date information on the base they are moving to and a rough estimate on how much it will cost to move.

In the Armed Services Committee, we have painfully learned that if we are to keep high quality personnel in the military, we must recruit families as well as soldiers. The Military Family Relocation Act will help military families help themselves to manage and successfully endure the rigors of moving and, in turn, make an already difficult situation less stressful and more attractive. I urge my colleagues to cosponsor the bill.

#### THE 70TH ANNIVERSARY OF THE CALL NEWSPAPER

#### HON. ALAN WHEAT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. WHEAT. Mr. Speaker, it is with great pride that I bring to the attention of my House colleagues the 70th anniversary celebration of a nationally respected and renowned institution, The Call newspaper in Kansas City.

The Call has been a beacon of leadership to the black community in Kansas City since the first copy was issued in May 1919. Originally known as the Southwest's Leading Weekly, The Call has conformed to the highest standards of journalism throughout its existence while providing invaluable leadership and direction to the civil rights movement.

Few could have foreseen in 1919 that the humble dream of Mr. Chester Arthur Franklin would take hold and grow into one of the largest black weeklies in America with a readership of 52,000. Through Franklin's leadership and the commitment of countless other employees, The Call has become a trendsetting minority business enterprise and a citadel for all people who believe that the power to improve race relations lies with those who have the courage to stand, speak, and be counted against the forces of injustice.

Those forces placed many obstacles in the way of Chester Franklin as he pursued his dream of building a newspaper that would pro-

vide leadership to the black community in Kansas City. In the early years, when Franklin set up his first typesetting machine, neither he nor his only assistant knew how to run the machine. When he appealed for aid from the local printers' union for an experienced worker to help him, his appeals fell on deaf ears. Undeterred, Franklin and his assistant taught themselves how to operate it.

His dream would not be a dream deferred. The Call was born.

As The Call grew larger, it also became noted for accomplishing a number of firsts among black newspapers.

The Call was the first black newspaper to be admitted to the Audit Bureau of Circulation, or ABC as it is known in journalistic circles. The ABC audits the circulation records of newspapers to ensure that members are truthful when reporting circulation numbers to potential advertisers. Since The Call joined the ABC, many other black newspapers have followed.

The Call was the first to subscribe to a major wire service as a member of the International News Service in 1948.

The Call accomplished a first in a long string of civil rights and local civic victories when it led the drive to break down the barrier against blacks serving on juries.

So it was that Mr. Franklin provided the energy and the vision to The Call in those early years until his death in 1955. But after his passing, other talented and dedicated journalists assumed the mantle of leadership at The Call and carried on the tradition of excellence that had been so firmly established by Mr. Franklin.

Those journalists who have honed their reporting skills at The Call over the years have gone on to distinguish themselves as outstanding journalists and activists in all walks of life.

Roy Wilkins, editor of The Call from 1923 to 1931, eventually became the Executive Secretary of the National Association for the Advancement of Colored People. Dowdall Davis, an early advertising manager for The Call, went on to become the first black member of the Kansas City Board of Police Commissioners. An early city editor of The Call, Lena Rivers Smith, will long be remembered as the first black television reporter in Kansas City when she was employed at WDAF-TV.

Bob Green, former sports editor for The Call, is now tennis editor for the Associated Press. And Miss Marie Ross, the first black to receive a journalism degree from the University of Kansas and a true pioneer in journalism, is manager of The Call's Kansas branch as she approaches 80 years of age. Many others too numerous to mention have made great contributions to their profession and to society in general after serving at The Call.

Perhaps the truest testament to The Call's journalistic prominence is the quality of the staff today. Al Ansare, Stacy Overman, Carmen Jones, Nancy Dawson, and the renowned political reporter Louis Blue have enhanced The Call's reputation while showing that they are each excellent reporters in their own right. My friend Dr. Reuben Benton, the Director of Circulation, has devoted countless hours over many years to building a strong

foundation for the paper and strengthening its outreach into the community.

And another friend of mine, managing editor Donna Stewart, has demonstrated the great impact that just one person can have on a weekly paper with the prestige of The Call. Through a combination of talent, intelligence, and sheer determination, Donna has kept the ship sailing smooth and on course to a promising future, shouldering the heaviest of responsibilities with class and distinction. With Donna at the helm, The Call is surely destined for even greater accomplishments down the road.

Today—amidst these outstanding professionals and their accomplishments over the course of 70 years—there is one person who stands tallest of all, who embodies the principles and tradition that have become The Call. That person is Lucile H. Bluford.

Miss Bluford joined The Call as a cub reporter and police reporter in 1932, became editor after Mr. Franklin's death in 1955, and is currently editor, publisher, and principal owner of the paper. She has provided the sure and steady hand of guidance to The Call as it matured into one of the leading weekly newspapers in America. She is loved and deeply-respected throughout the Kansas City area and the Nation as a journalist, a civil rights activist, and public service leader. Her reputation is well deserved.

Among her honors and awards: Pulitzer Prize Journalism juror in 1973; the Distinguished Service Award from the NAACP in 1975; the Roy Wilkins Award from the NAACP Branch in Gary, IA, 1976; SCLC Martin Luther King Award, 1979; Honorary Doctorate from Lincoln University at Commencement, 1980; Community Service Award, Black Economic Union, 1980; and Citizen of the Year Award, Fellowship House of Kansas City, 1981.

Recently, Miss Bluford was awarded an Honorary Doctorate from the University of Missouri, the institution where 50 years ago she was denied admission to the university's prestigious journalism school simply because of her race. Her historic legal fight against the school eventually resulted in the establishment of a journalism school at Lincoln University, the state of Missouri's historic black university. The awarding of the doctorate to Miss Bluford at the university's commencement proceedings was followed by a standing ovation from the crowd of 20,000 at Faurot Field in recognition of her courageous fight and her contributions to the field of journalism.

Those are just a few of the many honors and titles that have been bestowed upon Miss Bluford during a long and distinguished career. As a citizen of Kansas City, she is unsurpassed in her devotion to her community and her energy in serving the public good. Her name is synonymous with the term community activist, and neither the newspaper to which she has devoted her life, nor the city to which she has given so much of her time and energy, would be the same without her.

Today, Miss Bluford remains a driving force at The Call, writing editorials and reporting the news. But surrounded by an outstanding staff, she has ample help in carrying on the traditions of the past while forging a new path for the future of The Call. Under the tutelage of

Miss Bluford, these talented people will most certainly keep The Call a pioneering force in the world of journalism for years to come.

Mr. Speaker, I think it is important that we recognize and pay tribute to the institutions throughout this country which are the threads of our social fabric, which bind us together with a commonality of purpose so that we continue moving forward instead of falling backward in an aimless drift. When we pay such tribute, we are reminded of what it takes to build a fair and just society, and we refresh our commitment to that all-important cause. Today, we pay tribute to The Call, and we remember that history is ours for the making.

#### TRIBUTE TO THE HONORABLE MAE STREET KIDD

#### HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. MAZZOLI. Mr. Speaker, it is a distinct pleasure for me to pay tribute today to an outstanding Kentuckian for her career in public service.

This week, my friend and former colleague in the Kentucky General Assembly, the Hon. Mae Street Kidd, was honored by the Kentucky Housing Corp. [KHC] for her years of dedication to helping provide affordable housing for low- and moderate-income families across the Commonwealth.

As a State representative from Louisville, Mae introduced and successfully engineered through the general assembly in 1972 legislation which created the Kentucky Housing Corp. Many dreams of home ownership have since been fulfilled as a result of Mae's efforts, with more than 27,000 Kentuckians having been assisted through KHC housing programs.

Mae's remarkable skills as a legislator were evident early on when in 1968, as a freshman representative, she helped secure passage of the landmark Open Housing bill. This was but a prelude to her later legislative triumph with the Kentucky Housing Corp. and subsequent housing initiatives which will continue to offer hope and opportunity to many, many Kentuckians.

I have often felt that a community is only as good as its people and their aspirations. In Mae Street Kidd, the city of Louisville and the Commonwealth of Kentucky have been the beneficiaries of the highest order of civic leadership. Mae has been active, she's been involved, and she's made a difference. Mae has worked selflessly toward improving the quality of life in her community and for her fellow citizens.

I salute Mae Street Kidd on being recognized for this well-deserved honor. And, even more, I congratulate her for the distinguished and exemplary record of service she has provided for us all. We, in Louisville and Jefferson County, KY—and across the Commonwealth—are grateful for her commitment and hope the years ahead will bring much health, happiness and continued success to one who has given so much to others.

#### A BILL TO TAP THE UNUSED TALENT OF OUR SENIORS

#### HON. AMO HOUGHTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. HOUGHTON. Mr. Speaker, today I testified before the House Ways and Means Committee's Subcommittee on Social Security about an issue of great importance to me, to you, to our Nation. The issue is whether we are willing to help financially senior citizens, whether we will consider adjusting out-of-date infringements on their earning power and dignity.

On the first day of the 101st Congress I introduced H.R. 190. In a nutshell, this bill seeks to repeal the Social Security earnings limitation at age 65.

Social Security was started before World War II—in the thirties. At that time, it seemed appropriate to install incentives for older workers to leave the work force—the point being—to open up jobs for others. Unemployment was reaching 25 percent.

Today, of course, we face a far different economic scenario. For example, by 1999 the Department of Labor estimates there will be 15 million fewer people between the ages of 18 and 25. Our capacity limitations in the next year or two will be reached not because of lack of plant and equipment. The limitation will be people. We need new sources of labor. This is where H.R. 190 enters the picture.

Now with all the humility I can muster, I personally believe that seniors can be a valuable new resource to business. In general with life expectancy rising yearly, these individuals, over the normal retirement age are experienced and wise. They bring more to an organization than just a willingness to work. Yet we seem not to encourage them to work. As a matter of fact, it is quite the opposite. We tell them, "If you want to continue to be productive—to work, to earn money, to pay taxes—we're going to reduce the Social Security payment you're entitled to." So I ask—why punish these loyal, necessary people at a time when industry clamors for just the sort of skills they provide? Senior citizens who want to work should be encouraged. I'd like to believe my bill is a step in the right direction.

If I could hold my argument for just a moment, I remember sitting in the stands during President Bush's Inaugural Address. In it he said, "We must bring in the generations, harnessing the unused talent of the elderly \* \* \*." Now, being a senior citizen myself, I have to believe that a good way for him and us to suit action to the word would be to repeal the Social Security earnings limit and harness a useful, but unused pool of talent.

The argument goes that by repealing the earnings limitation, we would further increase our already out-of-control deficit. I've heard estimates of up to \$5 billion. I don't believe them. I have no sense of how they were calculated. I frankly think that the actual cost is far less and the benefits would far outweigh any risk associated with this policy change. Seniors earn money. It is taxed. Seniors spend money, they help create new jobs. This

new money will flow directly into the economy. The effects are real.

In addition, of course, repealing the earnings limitation at age 65 enables us to reduce, forever, a substantial cost associated with the Social Security Program. The earnings limitation is an administrative nightmare. The Social Security Administration spends more than \$200 million a year and uses 8 percent of its employees to police the income levels of beneficiaries. We can save these costs and more.

The bottom line, as I see it, is that the earnings test damages the economy. It is unfair to seniors. I think it's high time we repeal it.

#### INNOVATIVE APPROACHES TO LONG-TERM HEALTH CARE

#### HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mrs. KENNELLY. Mr. Speaker, today I introduced legislation which would provide a general Medicaid waiver for those eight States with Robert Wood Johnson Foundation grants to demonstrate innovative approaches to long-term health care. These States include: California, Connecticut, New York, New Jersey, Wisconsin, Oregon, Massachusetts, and Indiana.

The purpose of these grants is to provide those States which have demonstrated a commitment to reforming long-term care financing with the resources to investigate the potential role of public/private partnerships in spreading the cost for long-term care. These States require Medicaid waivers to conduct their demonstrations. I anticipate that this legislation will result in no additional cost to the Federal Government. In fact, Connecticut projects significant Medicaid savings over time.

This public/private partnership demonstration is not at odds with any social insurance program we adopt at some point in the future. Rather, this demonstration will gather valuable utilization and cost data which will be necessary in designing any social insurance approach to long-term health care. An 8-State demonstration is also much more controlled than a national social insurance demonstration.

I don't believe we can afford a new social insurance program at this time. Further, to the extent that we move toward a new social insurance program, sheer cost mandates participation on some level for private insurance. The demonstration can help define what the appropriate role would be.

Each of the eight States is pursuing a somewhat different approach. In Connecticut, individuals would be encouraged to plan for their long-term care needs by purchasing private long-term care insurance commensurate with their assets, or more precisely, in line with those assets they wish to protect. If and when an individual exhausts his or her insurance and applied for Medicaid, each dollar that the insurance policy has paid out will be subtracted from the assets Medicaid considers in determining eligibility. In other words,



coverage of long-term care expenses by private insurance would count as asset spend down for the purpose of establishing Medicaid eligibility. Individuals would retain control of assets equal to the amount of insurance paid while income would still be applied toward the cost of care.

Connecticut projects that such an approach will primarily benefit middle-income elderly and allow seniors to plan for their long-term care needs without impoverishing themselves. These demonstrations deserve a chance. I would urge my colleagues support.

**KILDEE HONORS FATHER  
HENRY W. BERKEMEIER**

**HON. DALE E. KILDEE**

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. KILDEE. Mr. Speaker, I rise today to pay tribute to the long and distinguished career of Father Henry W. Berkemeier. It is not only Father Berkemeier's 50 years of community service as a priest to which I draw our Nation's attention, but to the great successes that he attained, and that he led others to attain, within that time.

This unassuming man of God has served my hometown district for 26 years as pastor at St. Mary's Church in Flint, touching the hearts and lives of our community with his deep, personal concern. Visiting the home of every member of his parish at least once a year, Father Berkemeier finds in his devotion to our Lord a devotion to his community. Students at St. Mary's School know him for the encouragement he has given them in all areas of study, from academic to athletic, while their parents know him for the leadership he has provided in supporting the school through financially trying times that forced other area parishes to close their schools. Father Berkemeier's unparalleled dedication found its most public, and most tragically necessary, outlet in his courageous Operation Tornado.

On June 8, 1953, a tornado struck the Beecher District of Flint, the area of Father Berkemeier's parish—116 people were killed—350 homes were damaged or destroyed. Father Berkemeier organized a help effort to take on the task which most thought impossible. Yet through his faith in God and his fellow man, Father Berkemeier's determination and strength did not falter, and he achieved his goal. Bringing together 7,823 volunteers, the good Father's efforts contributed \$211,600 in labor and 99,800 man-hours to what has been described as the world's largest humanitarian building bee.

Mr. Speaker, I bring to your attention today a devoted humanitarian, community leader, and spiritual guide whose accomplishments must not go unnoticed. June 3, 1989 marks Father Henry W. Berkemeier's 50th year as a priest. We see in his words uttered at Operation Tornado, the kind of dedication and forward thinking which will surely lead him to more years of accomplishment in the priesthood.

Let us not rest content with what we achieved, however, but may we go forever

together, working as a community to solve our common problems, social, economic and moral.

Mr. Speaker, it is indeed an honor and a privilege to pay tribute to this highly regarded man on the 50th anniversary of his ordination.

GOLDEN JUBILEE OF FATHER HENRY W.  
BERKEMEIER

JUNE 3, 1939-JUNE 3, 1989

*Ad multos annos!*

"To live in the midst of the world without wishing its pleasures; to be a member of each family, yet belonging to none; to share in all sufferings; to penetrate all secrets; to heal all wounds; to go from men to God and offer Him their prayers; to return from God to man to bring pardon and hope; to have a heart of fire for charity and a heart of bronze for chastity; to teach and to pardon, console and bless always, my God, what a life; and it is yours, O priest of Jesus Christ."—LACORDAIRE.

BISHOP HONORS FATHER BERKEMEIER

St. Mary's Parish in Flint held a tridium in honor of Our Blessed Mother on August 14th, 15th, and 16th. Bishop McCaffrey, who had given a mission in October, returned to St. Mary's to speak on the message of Fatima. He told how Mary calls us to Jesus and leads us to Jesus, Mary exhorts each of us to pray and do penance and we will have peace in our hearts, our homes, and in the world. If we offer our sufferings and difficulties of everyday and say the rosary, we will bring ourselves, our families and others to heaven.

Abbot McCaffrey told the people that he had a second reason for coming back to the parish. "I come to you, not at Father's request, but in the name of the Church, to give honor to your Pastor, Father Berkemeier. Your Pastor will never retire; no, his priestly ministry will continue. Father is truly a Marian Priest, his peoples' priest, a loyal priest. Like Mary, he is humble; like Mary, he is obedient; like Mary, he is prayerful; like Mary, he loves her Son and the Church of her Son. He has loved you as your pastor. And so, my dear people, you have been blessed indeed to have him as your Pastor, to have him in your midst. You have had the 'bargain of the century'. He is a wonderful priest and a wonderful pastor. One sees so plainly the spirituality of the parish, the love of Mary, the love in the community, the solidarity of your parish, which is not found in other parishes."

"And so, as your pastor leaves, give thanks to God for his wonderful goodness and pray that God will continue the wonderful work that has been done. Offer your prayers and sacrifices that God will continue to bless him in his future work as He has blessed his work at St. Mary's. Pray that because of the deep foundation of the parish under Father Berkemeier, that St. Mary's will continue to grow and be an honor to the Church and to the Immaculate Heart of Mary, May your devotion to Mary as a parish shine ever more brightly as a beacon of love for everyone to see. I am not saying that Father has done anything extraordinary. God will do that. Thank God for Father as your parish has been very blessed with Father. Father has done only what he was supposed to do and God has done the rest. Rejoice with Father as he continues his pastoral activity. You are so blessed with so wonderful a pastor and so in the name of the Church, I give him this classic toast: 'Viva festa gloria!' (May he live long, love long, and may he grow 'Ad multos annos' for many

years to come In Mary, Through Mary, By Mary, and With Mary). May God bless you, Father, and may your example of loving Mary make this parish the holiest parish of Mary."

SPEECH BY JOHN WOODBURY AT THE EIGHTH  
GRADE GRADUATION, JUNE 5, 1987

Father, I think I speak for everyone when I say that you are the greatest. You have spent time with our class, you are always interested in our activities, whether athletic or academic, you have always cheered us on, leading us to do our very best, to go "first class."

Your good example has shown us how to lead our lives. You have been such an inspiration to us—you are a good friend of our Lord, you show us that this is possible for each of us also. Thank you for all the masses, prayers, confessions, and love you have given to us. Please pray for each of us that we may one day arrive in heaven through what you have taught us. We love you, we are your wildcats.

FR. BERKEMEIER HONORED AS HE LEAVES  
FLINT ST. MARY  
(By Suzi LaPorte)

FLINT.—A shy Father Henry W. Berkemeier was surprised last Monday. In his office were media representatives along with Flint Mayor James A. Sharp Jr. and 4th Ward City Councilman Paul Vasquez.

Sharp and Vasquez came with a Proclamation setting aside the day (Aug. 31) as Berkemeier Day and with a City Council resolution giving him unanimous accolades as a "good shepherd to all."

"He stands as a symbol of charity, love, hope and compassion for all his fellow men," the proclamation said.

Fr. Berkemeier, 75, has served as pastor of Flint St. Mary's for 26 years. He was the third pastor of the parish. He also served at St. Francis of Assisi in Mt. Morris township from 1949-61.

As Fr. Berkemeier prepared to leave St. Mary's for his new post as chaplain at Marian Hall, he gave his parishioners a dinner as a farewell gift. To the parish school children, he gave cake and ice cream.

All attending a Monday morning Mass last week wore the priest's picture on a red paper heart hung on a purple ribbon. The school children students wrote comments of gratitude to him, for collection in a book.

Parishioners wanted Father to stay, so they collected 600 signatures on a petition to Lansing Bishop Kenneth J. Povich and sent a delegation to talk to the bishop.

Volunteer gardeners dedicated a new sundial in the courtyard behind the rectory to Fr. Berkemeier.

Following a tridium held at St. Mary's in mid-August, Bishop McCaffrey of Belmont Abbey, returned to St. Mary's to conduct this tridium.

Bishop McCaffrey told the people that he had a second reason for coming back to the parish. "I come to give honor to your pastor, Fr. Berkemeier." He also told the parishioners, "He will never retire, no, his priestly ministry will continue."

Father is truly a Marian priest, his peoples' priest, a loyal priest. Like Mary, he is humble; like Mary, he is obedient; like Mary, he is prayerful; like Mary, he loves her Son and the Church of her Son. He has loved you as your pastor."

"As your pastor leaves you, give thanks to God for his wonderful goodness and pray that God will continue the wonderful work

that has been done. You are so blessed with so wonderful a pastor and so in the name of the Church, I give him this toast, 'Viva Festa Gloria.' (May he live long, love long, and may he grow for many years to come in Mary, through Mary, by Mary and with Mary.)"

#### PARISH SCHOOL STILL SERVES INNER CITY AFTER 60 YEARS

FLINT.—Despite changing times and population shifts, St. Mary School has continued to serve students in Flint's neighborhood community for six decades.

For many years, St. Mary was one of a half-dozen Catholic parish schools in what now is referred to as the inner-city. The others have closed or merged into area schools serving a number of parishes.

Father Henry Berkemeier, pastor of the East Side parish, drew attention to St. Mary's continuing operation as he spoke last Thursday (Sept. 19), at a Mass of Thanksgiving in celebration of St. Mary school's 60th anniversary.

Parents, parishioners and friends joined with students and staff in the celebration which was followed by a reception in the school.

In his homily, Fr. Berkemeier noted that at one time St. Mary had over 700 students in its building, which included a grade and high school.

"The number has dwindled," he said, "but we still have our school."

St. Mary now operates a K-8 program for 238 students. A number of its 8th grade graduates continue their high school education at Powers High School, the consolidated regional school opened in 1970 comprised mainly of students from parish high schools, including St. Mary.

Because of sacrifices by parishioners over the years, St. Mary still operates an elementary school, Fr. Berkemeier said. He also praised sisters, lay teachers, staff and maintenance personnel for the school's longevity.

Not only is this is time for thanksgiving, but it is to ask Almighty God to continue to bless St. Mary's for many years to come," he observed.

He said it is also up to the children now in St. Mary school to continue the "good name of the school".

Students and other worshippers were given "I Love St. Mary's" buttons as they entered the church for the regular 8 a.m. weekday Mass. The altar was decorated with flowers and special symbols of the anniversary.

The Mass was celebrated on the day formerly designated on the church calendar as the Feast of the Holy Name of Mary. The day was selected for the 60th anniversary Mass, culminating a series of events planned for the mile-stone year.

The feast was established in 1683 by Pope Innocent XI to honor the name of Mary and as thanksgiving for a victory of the Church's army over an invasion by the Turks and Hungarians. Sept. 12 marked the end of a siege of Vienna.

Fr. Berkemeier said the liturgy was in thanksgiving to the Blessed Mother for taking care of St. Mary's School over the years and to ask her, "to protect it for many long years to come."

#### RESOLUTION

Whereas, Father Henry W. Berkemeier, Pastor of St. Mary's Parish, Flint, has served the Diocese of Lansing with legend-

ary distinction for the past forty-eight years, and

Whereas, Father Berkemeier has been a good shepherd to all—loving, guiding and teaching others to love the Lord in their daily lives and what they need to know to go to heaven, and

Whereas, Father Berkemeier has enthusiastically devoted his energy, time and talents for the cause of Catholic education and sports programs for school children throughout the entire period of his priesthood, and

Whereas, Father Berkemeier organized "Operation Tornado" to rebuild the Beecher District after a devastating tornado, which killed 116 people and destroyed hundreds of homes, and

Whereas, Father Berkemeier's legend includes his visits to the homes of every family in his parish at least once a year, his frequent visits to the hospitals and convalescent homes, and his beautification projects which included restoring the Grotto and improving the gardens and grounds of St. Mary's Church.

Now, therefore, be it resolved that a unanimous accolade is hereby offered by the Flint City Council to Father Henry W. Berkemeier in recognition of his outstanding service and wishing him the very best in his new appointment as Chaplain of Marion Hall in Flint.

#### REV. HENRY W. BERKEMEIER

Assistant Pastor: Holy Trinity Fowler 1939-42, St. Mary's Flint 1942-44, and St. Augustine's Kalamazoo 1944-49.

Pastor: St. Francis Assisi, 1949-61, St. Mary's, Flint, 1961-87, Marion Hall, Flint, Sept. 1987-

Birthplace: Massillon, Ohio, November 28, 1911.

Date of Ordination: June 3, 1939.

Place of Ordination: Cincinnati, Ohio.

Educational Background: St. John's Jackson, Sacred Heart Seminary, Detroit, Mt. and St. Mary Seminary, Norwood, Ohio.

Father has always been interested in child as he has shown in the operation of schools at St. Francis of Assisi and at St. Mary's. Sports have been important, Father started a sports program at Fowler and has actively supported a sports program for his students.

Father is well known for his charity and concern for the well being of his people. He visits each of his parishioners' home each year talking over anything of concern to them. Frequent visits to hospitals, convalescence homes, confessions, counseling, instruction classes, celebrating Mass, giving families and administers the sacraments are all part of Father's day as he responds to the needs of his people as they are presented to him.

This attitude of service to his people's needs led him to conceive the ideas of "Operation Tornado." A tornado hit the Beecher District of Flint June 8, 1953. It occurred in Father's parish, St. Francis of Assisi. The tornado killed 116 persons, 350 homes were destroyed or damaged.

Operation Tornado took place on August 29th and 30th, 1953. It was a cooperated effort by 7,823 volunteers contributing \$211,600 worth of labor and 99,800 man hours in the rebuilding of 193 homes over one weekend. The origin of this centered around Father Berkemeier. Many of the victims were his parishioners. Father was instrumental in arranging for small groups of volunteers to work on reconstruction in the disaster area. Their progress and the need for more men led to the conception of the

ideas of a giant building built with thousands of workmen at sites. Operation Tornado was renowned nationally since it was unique in being the world's largest humanitarian building built.

With faith in mankind and trust in God and a reluctance to think that such a prospective project might be labeled impossible by others. Father advised against pondering possible setbacks and urged confidence that all difficulties which arose would be settled. Part of Father's blessing at opening of Operation Tornado.

"Let us not rest content with what we have achieved, however, but may we go forever together, working as a community to solve our common problems; social, economic and moral."

An unassuming priest who has worked unceasingly on behalf of tornado victims since the twister hit near his parish. Father is credited not only with setting the project in motion but with a great deal of its success.

Father thanked God "forgiving us mind and heart, hand so that we too might build for Your honor and glory and our own well being."

#### AWARDS

Flint Civitan Club honored Father as Flint's Top Citizen (International Citizenship Award).

Freedom Foundation of Valley Forge, PA, awarded Father the Freedom Award.

City Commission—Flint's Choice for the Year's Outstanding U.S. Citizen.

Father received the All America City Award for the City of Flint.

The following is taken from Mayor Donald W. Reigle's address to Father Berkemeier in the presentation of the All America City Award.

"Who so unselfishly has given his talents, his heart, his faith and his energy to lift up his stricken brothers in their great hour of need."

We have all grown to love this courageous man who so unselfishly has given his all to those unfortunate neighbors on the tornado devastated area of the Beecher District. Words cannot express my thoughts concerning Fr. Berkemeier, who has literally taken possession of our hearts by his kind, gentle and outstanding deeds.

His firm belief in God and the miracles that God can perform had fired him with a profound faith that this building has been called Operation Tornado would be successful.

He let nothing discourage him and instilled in all of us the same determination that this giant task could and would be accomplished. He stands as a symbol of charity, love, hope and compassion for his fellow man.

Brother and sisters: Francis Berkemeier, Kate Berkemeier, Mary Leinhart and many nieces and nephews.

#### CONGRESSIONAL STAFF DELEGATION REPORT ON CURRENT STATUS OF TIBETAN POLITICAL, REFUGEE, AND HUMAN RIGHTS PROBLEMS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1989

Mr. GILMAN. Mr. Speaker, during November of 1988, an eight-member bipartisan congress-



sional staff delegation visited India and Nepal to investigate the current status of the Tibetan refugee population. They also looked into the present attempts at negotiation between the Dali Lama's government-in-exile and authorities of the People's Republic of China. The picture they brought back for us is one of hope and despair. Their report informs us that the Tibetan culture and religion, both highly evolved and sophisticated, are threatened with extinction by policies of the People's Republic of China. The latter have dragged their feet at attempts to negotiate a peaceful settlement.

The report outlines a historical perspective that is important to our current considerations, providing well thoughtout proposals with regard to the role and direction which U.S. policy should take.

I invite my colleagues to read this report and include it at this point in the RECORD:

TRIP REPORT: TIBETAN REFUGEE SETTLEMENTS, INDIA, NEPAL, NOVEMBER 15-30, 1988 (Submitted by Congressional Staff Members: Paul Berkowitz, Kathleen Bertelsen, Mary Beth Caviness, Bob King, Kay King, Alan MacDougall, Karen Muchin, and Keith Pitts, March 3, 1989)

#### SUMMARY OF KEY FINDINGS

The Tibetan question enters into U.S. foreign policy, not on its own considerable merit, but as a secondary consideration in America's relations with China. Tibet was long ago sacrificed to the greater geo-political and economic importance of its giant neighbor.<sup>1</sup>

With what many are calling a warming in the Cold War and the apparent liberalization of Soviet human rights policies, there is some confidence in the use of American political and economic pressure to influence the human rights practices of other nations, including China.

The Sino-Tibetan dispute over the political status of Tibet and the human rights of its people is not the sole concern of a few Members of Congress, and it is not likely to be resolved without international pressure.

#### FINDINGS

1. There is an urgent and ongoing need for development assistance in Tibetan refugee settlements in India and Nepal.

2. Serious human rights abuses continue in Tibet.

3. The unique and ancient Tibetan culture is at risk on two fronts: in Tibet and in the refugee communities.

4. The Central Tibetan Administration (the Tibetan government-in-exile) has put into place a representative, democratic political and administrative apparatus to govern refugees in exile.

5. The forceful repatriation of Tibetan refugees seeking political asylum and basic human freedoms is ongoing and possibly escalating. The safe transit of the many refugees still fleeing Tibet (5,000 since 1980, 672 during 1988, and perhaps as many as two dozen during our short 3-day visit) is of immediate and unparalleled importance—not just for their own salvation, but to give testimony to the conditions effectively shielded from our view.

6. Negotiations among representatives of the Chinese government and the Central Tibetan Administration should continue to be

supported, in the near term, as an attempt to assuage escalating dissent among Tibetans in exile and in Tibet, and with the ultimate goal of finding a peaceful solution to the status of Tibet and the welfare of the Tibetans.

#### I. INTRODUCTION

##### A. Overview

During the period November 15-30, 1988, Congressional staff traveled to India and Nepal at the invitation of the International Campaign for Tibet and under the sponsorship of the Tibet Fund, a U.S. 501(C)(3) non-profit organization. The group consisted of the following staff: Kathleen Bertelsen, Office of Congressman Sam Gejdenson (D-CT) and House Committee on Foreign Affairs; Paul Berkowitz, Office of Congressman Benjamin Gilman (R-NY); Mary Beth Caviness, Senate Foreign Relations Committee; Bob King and Kay King, Office of Congressman Tom Lantos (D-CA) and Congressional Human Rights Caucus; Alan MacDougall, Office of Senator Murkowski (R-AK); Karen Muchin, Office of Congressman John Porter (R-IL) and Congressional Human Rights Caucus; and Keith Pitts, Office of Congressman Charlie Rose (D-NC).

The itinerary, arranged by the International Campaign for Tibet in cooperation with the Central Tibetan Administration (CTA) in Dharamsala, India, included visits to: two Tibetan refugee settlements in Karnataka State, south India; several residential and commercial centers in the Kathmandu Valley of Nepal; and the seat of the CTA, presently established in Dharamsala, (Himachel Pradesh), north India.

In addition, we met in New Delhi with the Director of the American Division, Government of India, and American Embassy staff; in Kathmandu with the Nepalese Foreign Secretary and American Embassy staff including the Ambassador; and throughout the trip with Tibetan religious and civic leaders and representatives of the CTA, culminating in an audience with the Dalai Lama, head of Tibetan secular and religious institutions.

The purpose of the trip was to become familiar with the conditions and needs of the Tibetan refugee communities in India and Nepal, and from the information gathered, offer suggestions for possible Congressional initiatives. Although our intention was to examine the resource needs of the exiled Tibetan community, it was immediately apparent that the question of human needs, and more specifically the deprivation of fundamental human rights in Tibet, need be concurrently examined.

Given the restrictions on access to Tibet, the trip provided an excellent opportunity to interview recent refugees and to learn of the circumstances within Tibet that have caused a continuous stream of Tibetans to flee from their traditional climatic and cultural habitat to settlements in India and Nepal.

The quest for a "Tibet for Tibetans" (autonomous or independent) was conveyed to us through impassioned speech and eloquent letter, at every meeting official or otherwise. We have appended some of these petitions to the report.

##### B. Background

In 1949, soon after the communist victory, Chinese troops marched into Tibet quickly defeating the small and ill-equipped Tibetan army. Soon after, the Dalai Lama's government was forced to negotiate with the Chinese central government and to accede to

the Agreement on Measures for the Peaceful Liberation of Tibet, which was signed on May 23, 1951. (See Appendix A.)

Thereafter, the Chinese began to colonize Tibet, setting up machinery and institutions to control the country. Popular rebellion began in the eastern regions and culminated in March 1959 in an uprising in the capital city of Lhasa. The Dalai Lama escaped only hours before the Chinese troops began shelling his residence.

The Tibetan revolt was crushed by the well-armed Chinese People's Liberation Army, sending Tibet into a state of terror. Approximately 85,000 Tibetans fled in the next few years, establishing make-shift camps in the hot Indian lowlands. Thousands died during these years of resettlement, either in attempting to escape Tibet or from sickness or disease associated with the radical climate changes encountered in exile. Of the approximate six million Tibetans who remained in Tibet, it is documented by exiles that over one million died as a direct result of the military occupation and Chinese collectivization policies.

During the 1960's, the Indian government generously assisted the Tibetan refugees by granting tracts of land and helping to set up housing, schools and basic medical services. The United Nations and several Non-Governmental Organizations (NGOs) were heavily involved with initial relief efforts; however, most of these groups no longer provide assistance. There are currently over 110,000 Tibetan refugees in exile, including approximately 100,000 in India, 6,000 in Nepal, 1,500 in both Bhutan and Switzerland, and smaller populations in other countries, including the United States. Most Tibetans in exile have maintained refugee status and refuse to accept citizenship in the country where they reside because of their desire to remain a cohesive community in alien environments and their hopes to return to a free Tibet.

#### II. THE POLITICAL SITUATION

##### A. Sino-Tibetan dialogue

In September, 1987 the Dalai Lama, invited by members of the U.S. Congress, presented a five-point peace proposal as a basis for a dialogue with the Chinese on human rights questions and Tibet's political status. In formulating this proposal the Dalai Lama has approached the issue from the viewpoint of regional stability and international peace with strong interest in ending the suffering under which Tibetans presently live. The "peace plan" contains five basic components: 1) Transformation of the whole of Tibet into a zone of peace; 2) Abandonment of China's population transfer policy which threatens the very existence of the Tibetans as a people; 3) Respect for the Tibetan people's fundamental human rights and democratic freedoms; 4) Restoration and protection of Tibet's natural environment and the abandonment of China's use of Tibet for the production of nuclear weapons and dumping of nuclear waste; 5) Commencement of earnest negotiations on the future status of Tibet and of relations between the Tibetan and Chinese peoples. The Peace Plan was supported by the Chairmen and Ranking Minority Members of the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs.

In December, 1987 Congress passed, and President Reagan signed into law, legislation that condemned Chinese human rights violations in Tibet. The legislation instructed the Executive Branch to pay greater attention to the concerns of the Tibetan

<sup>1</sup> For a full discussion of Tibetan-international cooperation and support, see "The Status of Tibet" by Michael van Walt, 1987.

people, and called upon the U.S. Government to urge the People's Republic of China to actively reciprocate the Dalai Lama's efforts to establish constructive dialogue on the future of Tibet. This legislative action received strong support in Western media and drew harsh criticism from the PRC.

In June, 1988 the Dalai Lama addressed the European Parliament in Strasbourg, France where he elaborated on the fifth point of his peace plan as a practical step towards negotiations with the Chinese. The Dalai Lama proposed that the Tibetan people and the Chinese government establish an association in which the foreign affairs of Tibet would be managed by the PRC and the administration of Tibet's domestic affairs would be placed solely in the hands of the Tibetan people. Chinese military installations would be restricted to those used for defense purposes. The Dalai Lama also stated that any agreement that was proposed through negotiations with the Chinese should be submitted to the Tibetan people in Tibet and in exile for a popular referendum.

It should be noted that there is opposition to the Strasbourg proposal within the Tibetan exile community.<sup>1</sup> Those in opposition fear a duplicit approach by the Chinese to any co-government arrangement and base this fear, primarily, on the flagrant disregard of the agreement signed with the Chinese in 1951. They also suspect that once the Tibetans have reestablished themselves within the physical control of the Chinese, they will be dealt with, as they are now, as an "internal matter." Further, at this point, the Tibetans will have given up their ability to freely solicit international support from a free base of operation in India. In this light, and supported by historical claim (see Appendix B), those who oppose the Strasbourg Proposal look for total independence for Tibet.

Two months after the Strasbourg proposal, the U.S. Senate passed, by a vote of 98-0, a concurrent resolution (S. Con. Res. 129) that expressed support for this initiative and again called upon the Chinese to enter into discussions with the Dalai Lama and his representatives.

Although there is some contact between the Chinese through their Embassy in New Delhi, and representatives of the Dalai Lama, little progress has been made in setting up actual negotiations. Even with its accommodation in large measure to Chinese governance of Tibet, the Strasbourg proposal is still publicly decried by the Chinese as "an attempt to split the motherland," and as such not open to discussion. To circumvent discussion on the political status of Tibet, the Chinese have attempted to direct the discussions to the Dalai Lama's return to Tibet, what his official post should be and where he should live. This strategy of singling-out the Dalai Lama attempts to limit the Tibetan issue to a "cult of the individual." In addition, it serves to present the CTA as illegitimate.

Nonetheless, the CTA has announced a negotiating team and proposed a target date. It may be that China intends to fili-

buster on the agenda until the process of Chinese colonization of Tibet is complete<sup>2</sup> and, then, any negotiations on the status of Tibet would be meaningless.

#### B. The Nepalese government position

In Kathmandu, the U.S. Embassy arranged for the group to meet with Mr. N.V. Shah, the Nepalese Foreign Secretary. U.S. Ambassador Milton Frank and his staff briefed the group beforehand, and Mr. Al Thibeault, DCM, accompanied us to the meeting. We found this assistance very helpful and believe our collaboration with the Embassy staff made it clear that the points raised in the meeting were in keeping with the policy of the U.S. Congress and the Administration.

In our discussion with Secretary Shah, we expressed concern over what appears to be a dangerous change in Nepalese border policy in regard to Tibetan refugees. We brought up the case of the 26 Tibetan refugees who had been forcibly repatriated to Chinese authorities in Tibet by the Nepalese government.<sup>3</sup> Secretary Shah stated that Nepal had always maintained a policy of turning back Tibetans entering Nepal without valid papers and denied that this represented any change of policy. As for the 26, he explained that the Tibetans had been apprehended at the border and brought to Kathmandu so they could be kept under better living conditions. He insisted that they had had free contact with the local Tibetan community, the opportunity to consult with lawyers, and the option "to request United Nations' refugee status."

We pressed for a clarification of Nepalese process for determining refugee status and the conditions for political asylees. The influence of Nepal's powerful neighbor, China, was pervasive. (Nepal receives substantial development assistance from China and, indeed, coinciding with our stay in Nepal, a visiting Chinese delegation was meeting to re-evaluate China-Nepal border agreements.) The Secretary concluded that the "refugee question is not a legal question and not a humanitarian question; it is a political question."

Generally, the political climate in Nepal is tenuous and sometimes oppressive. Leaders in the Tibetan community—including the Dalai Lama's representative, Paljor Tsering and the head of the Tibetan Women's League (a charitable organization serving the Tibetan and Nepalese destitute)—have been imprisoned, on occasion, during international conferences or visits of foreign dignitaries (i.e. the SAARC conference last

June). The Nepalese government has expressed concern that such events would be used by the Tibetans to demonstrate opposition to Chinese policies in Tibet. The Tibetans, mindful that they are guests of the Nepalese government and beholden to the Nepalese for their heretofore hospitality, walk this political tightrope with much trepidation.

#### C. The Government of India Position

In New Delhi, the group was briefed by U.S. Embassy personnel and accompanied to the Indian Foreign Ministry by Susan Keough-Fisher. At the Foreign Ministry, we had informal discussions with Indian officials, including Ms. Mitra Vasisht, the new Director, Americas Division, who had just left her post in the division dealing directly with Tibetan refugee assistance. In this "two hat" capacity, she was familiar with the concerns of the Tibetan exile community and those of the U.S. Government.

India's assistance to the Tibetan refugees operates within the economic constraints of a larger refugee assistance program that must provide for refugees from Sri Lanka, Bangladesh, Burma, and other surrounding countries and also within the political constraints of the collective South Asian community. The Indian Government's commitment to assisting the Tibetan refugees, including new arrivals, is well established. A substantial amount of money is allocated to assist the Tibetans, but even current expenditures cannot meet the needs of the entire community. (It was our impression that other governments' support for assisting Tibetan refugees in India would be welcome.)

We received no confirmation of the Nepalese request made to the Indian Government to accept the 26 Tibetans that were, eventually, forcibly repatriated by Nepal (as indicated to us in our meeting at the Nepalese Foreign Ministry). However, based on precedence and their strong humanitarian commitment to the Tibetan refugees, it is doubtful that the Indian Government would refuse these 26 (condemning them to certain hardships and probable imprisonment) when they have been accepting thousands.

In closing, the group expressed its concern that India has not raised the issue of human rights in Tibet with the Chinese—in our view, an opportunity for international pressure which can be viewed quite separately from the independence question.

### III. TIBETAN REFUGEE COMMUNITIES

#### A. Itinerary

In India.—Of the 34 Tibetan settlements in India, we were able to visit three. Most settlements are largely inaccessible, requiring 5 to 15 hour drives from the nearest commercial airports. Many are located in restricted areas and require special permission to visit. Our guide to the large settlements in southern India was Mr. Tempa Tsering, the South Zone Development Coordinator of the Central Tibetan Relief Committee, a branch of the CTA.

The Bylakuppe settlement, with over 10,000 refugees, is one of the largest and oldest in India. It is located on 3,000 acres of land which is cultivated for grain crops and used for animal husbandry, the principal sources of income for the community.

We had substantive discussions with the settlement director, as well as managers and workers at the Bylakuppe dairy farm, agricultural research station, feed grain processing center, tractor repair and metalwork shops.

<sup>1</sup> Some opposition is voiced by members of the Tibetan Youth Congress (TYC). The TYC while ultimately yielding to the authority of the Dalai Lama and the CTA, actively works to influence government policy through popular support. The TYC is not a youth movement but rather a grouping of politically like-minded Tibetans. In fact, many more radical (some militant), elder Tibetans who actually battled the Chinese in Tibet can be found in the ranks of the TYC.

<sup>2</sup> The current Chinese policy of rapid sinocization of Tibet began in January 1983. Reversing its 1980 promise of an 85% withdrawal of all Chinese personnel in Tibet, the Chinese, by the following year, had dispatched 230,000 new settlers. Today, by some estimates and excluding the PLA, there are 7.5 million Chinese to 6 million Tibetans in Tibet (including the regions of Amdo, Kham, and the Tibetan Autonomous Region).

<sup>3</sup> In June 1988, 26 Tibetans were apprehended and imprisoned by Nepalese authorities in Kathmandu. The 26 Tibetans, aged 13 to 29, were from Kham, Tibet and apparently in route to India to have an audience with the Dalai Lama and join monasteries in south India. From July to September, Chinese officials periodically questioned the imprisoned Tibetans. On September 15, 1988, the Tibetans were driven to the Tibetan border and handed over to Chinese authorities. The Chinese handcuffed the Tibetans and took them away by truck. Reports indicate that a few were able to escape while in transit and make way to India, but the rest were imprisoned. (Ultimately, we do not know what happened to those imprisoned, but reports indicate they may have been released.)



The group visited the settlement's schools, including a small Montessori school and a large compound operated by the Tibetan Children's Village foundation. (Primarily for orphaned children, the TCVs were established, as the first priority of the Dalai Lama, in the months following the exodus of 1959. They have been "home" for more than 8,000 displaced and needy children.)

In addition, we visited a handicraft cooperative (where Indians and Tibetans work side-by-side in the crafting of woolen carpets), and a modest hospital (scaled down for lack of funds and serving as a medical dispensary). Moreover, we had many informal and unscheduled opportunities to interact with Tibetans (men, women and children) making up the various segments of the refugee communities.

Aside from these civic and social meetings, the group was welcomed into the three major monasteries at Bylakuppe, representing the different sects within the Buddhist faith and replicating, in name, significant monasteries destroyed by the Chinese in Tibet. These monasteries, with others in India and Nepal, serve as the stronghold of the Tibetan Buddhist tradition—its dogma and dialectics—and as a treasuretrove for some of the few remaining religious artifacts smuggled out from Tibet, piece-by-piece, over the last 30 years. These monasteries are the intended destination of new refugees (they are chronically overburdened), and as such, serve as a testimony to the continued repression of true religious freedom in Tibet.<sup>4</sup>

Also in south India, the group visited the settlement at Hunsur. Smaller and not as old as Bylakuppe, Hunsur is similarly organized. During our stay we met with the settlement leaders and observed the agricultural operations, the Hunsur Dairy Cooperative (first among cooperatives in south India in milk production), machine shop, elementary school and a wool-spinning handicraft center.

Economically, the settlements in India focus heavily on agriculture, thus their financial security is linked to the variants of the weather. Politically, Tibetans living in India are recognized as refugees and assisted by the Indian Government. However, as in Nepal (and to a greater degree), refugees are limited regarding the acquisition of property as well as mobility.

At the end of our trip, the delegation returned to India and spent four days in Dharamsala, Himachel Pradesh, India. This is the headquarters of the Central Tibetan Administration and the home of the Dalai Lama.

We had many formal and informal exchanges with the CTA, including: The Kashag (the 7-member cabinet); the general secretaries of the executive agencies in charge of economic development, education, health, home affairs, and international af-

fairs; and members of the Assembly of People's Deputies (the legislative body).

The group was immediately and continually impressed with the caliber and organization of leadership within the exile community. From the outset in 1959, the Dalai Lama has implemented representative, democratic political and administrative systems: including elected local and district representatives, a parliamentary system of government, and a democratic constitution.

In Nepal.—Our itinerary in the Kathmandu Valley included visits to the Office of the Dalai Lama in Kathmandu, a clandestine refugee processing center, primary and secondary schools, carpet-making centers, health care clinics, Tibetan monasteries and religious shrines, and a specialized work center for the elderly and handicapped.<sup>5</sup>

Despite the greater political difficulties faced by the Tibetan refugees living in Nepal, they have been very successful in the carpet-making industry. Today, carpet exports are the second largest source of foreign currency in Nepal. In Kathmandu Tibetans have also played an important and visible role in providing tourist infrastructure—hotels and guest houses, shops, and restaurants.

#### B. Problems Facing the Tibetan Refugees

**Funding.**—The Central Tibetan Administration is a government in exile and thus has no legal basis to levy taxes or raise funds. Most Tibetans pay a voluntary tax to the CTA (one Indian rupee per month), but this does not adequately cover the costs of administering to the refugee settlements. The CTA raises additional funds from handicraft centers and from the carpet business. There is some short-term funding from foreign donors and PVO's.

**Cultural Survival.**—The Tibetan people are waging a two-front struggle to maintain their identity and culture. The 6 million Tibetans in Tibet face a concerted Chinese Government effort to dilute Tibetan culture and to impose Chinese language, values and culture in its stead. The 110,000 Tibetans in India and Nepal are facing different, but also threatening pressures that could weaken their culture, as well. Limited opportunities for higher education and economic possibilities force Tibetans out of the refugee communities and could soon lead to an irreversible assimilation into the dominant surrounding cultures.

**Financial and Technical Assistance.**—Irrigation, crop rotation and crop diversification are essential to the future survivability of the agricultural settlements. These settlements in south India have a limited amount of arable land available to support the growing number of refugees. Currently, most of the settlements are attempting to provide for more than twice as many people as initially planned. Crop production is entirely at the mercy of the elements—none of the settlements have irrigation, and all have suffered terribly from droughts in the past three years. Bylakuppe and Hunsur suffered 100% crop failure for two years in a row and reports from U.S. AID contractors and NGO's indicate that many of the other

agricultural settlements are in as dire circumstances.

**Job Opportunities.**—With the growth of the population on a finite amount of land, ways need to be found to increase individual productivity and to find additional jobs in areas other than basic agricultural production. The Tibetan refugees have made diligent efforts and shown foresight in establishing handicraft centers, dairy cooperatives, feed grain mills, and equipment shops to expand and diversify the economic base for the settlements. Presently the CTA is working with foreign supporters to set up a revolving loan fund that would help in establishing programs and businesses of this kind.

**Economic diversification and development** are also major problems facing the Nepalese settlements. Without expanding beyond labor intensive work, the settlements may be unable to offer employment that appeals to the younger, better educated refugees and potentially risk an outflow of young Tibetans from the settlements.

**Monasteries.**—In exile, the monasteries are facing the opposite pressures to the monasteries in Tibet—overcrowding is causing shortages of space for study, prayer and housing. Monetary resources are severely strained. There is a shortage of learned monks, "geshes," to teach novices. This shortage of teachers is primarily associated with the massive imprisonments of the Cultural Revolution in Tibet and the follow-on restrictions placed on all aspects of Buddhism—from simple practice including the recitation of prayers and meeting for religious observances to the approval of new novices by the community Communist Party hierarchy, the limiting of monks per monastery, and the overseeing of monasteries by Party functionaries.<sup>6</sup> This is a further loss of religious scholars, and cultural tradition, because many "geshes" are aggressively, and successfully, recruited by Western practitioners of the Buddhist faith.

**Education Needs.**—Library resources, instructional materials and educational supplies are badly needed and the school systems have very limited resources available to provide these necessities. Instructional materials printed in Tibetan are in extremely short-supply and, understandably, are not provided by the host countries. However, Tibetan children receive instruction and are required to be knowledgeable in three languages: Tibetan, English and Hindi or Nepali. Many Tibetan books are reproduced by hand or with ancient block presses but there are small- and large-scale plans to construct modern presses (pending funding).

**Opportunities for higher education**, even for the most promising students, are rare because of the high cost of college and the small number of scholarships available. Technical training is linked to existing facilities (metalworks shop, tractor repair, etc.).

**Health Care.**—Many of the Tibetan communities have primary health care clinics, but because of their expense, there is a chronic undersupply of medicine and pharmaceuticals. The high costs of physician services place professional care beyond the reach of most Tibetans. Efforts have been made to use nurses and community health

<sup>4</sup> "Some of the more important monasteries and temples (in Tibet) are being restored at Chinese expense, often with just enough realism to convey the impression that they had remained untouched by the 'mistakes' of the Cultural Revolution. This restoration often presents nothing more than a pastiche of distorted Tibetan 'traditionalism.' The underlying strategy of 'impression management' presently practiced by the Chinese tourist system, other than occluding the scars of occupation, is to demonstrate that Tibet has always been an integral part of China." From "Tourism, Politics and Relocation in Tibet," by P. Christiaan Klieger and Keith A. Liker, *Cultural Survival Quarterly*, Vol. 12, 1988.

<sup>5</sup> This center is overseen by Aten, an aged Tibetan hero whose leadership of the Khampa freedom fighters is legend among Tibetans. Beginning in 1956, Aten and his band, travelling with their families, staged hit-and-run raids against the Chinese until an ambush left his daughter disemboweled, his wife and 200 others killed and another 300 taken prisoner. Aten was shot but managed to escape. (For a full account of the Khampa guerrillas and the Tibetan armed struggle, see "In Exile from the Land of Snows," by John F. Avedon, 1979.)

<sup>6</sup> For expanded information on religious restrictions in Tibet, see report submitted by Mr. Angelo Vidal d'Almeida Ribeiro, Special Rapporteur Appointed in Accordance with Resolution 1986/20 of the United Nations Commission on Human Rights, December 30, 1988 (E/CN.4/1989/44).

care workers, but low salaries, limited training and high turnover rates limit their effectiveness.

**Tuberculosis.**—The incidence of tuberculosis is high and it spreads quickly in the overcrowded and unsanitary conditions in which many Tibetan refugees live. Successful treatment requires a long, sustained system of attack made difficult because of problems cited above. Successful eradication requires proper sanitation, including, but not limited to, adequate drinking water, toilets, waste disposal practices and bathing facilities.

**The Elderly.**—Over the past 30 years, the refugee population has aged significantly. The elderly are an especially needy and growing concern for the settlements. We were often inspired by the resiliency and determination of the older Tibetans. Realizing that the economic success of the settlements depends on individual productivity, elderly Tibetans, even those visibly ill, share in the work load.

#### C. The unsettled refugee population

The group had many meetings with CTA and Indian Government representatives and Private Voluntary Organizations (PVO's) to discuss our observations of the settlements and to direct more detailed questions about the administration of these settlements to the individuals that are the ultimate decision-makers for certain projects and programs. In most of these meetings, references were made to the substantial problem of the more than 14,000 unsettled Tibetan refugees living in India.

Although some of these refugees have come to India because of the recent strife in Tibet (see Appendix C), the majority of these unsettled Tibetans have been living in India since the exodus of 1959. These unsettled Tibetans are scattered throughout India, but the majority live in the Indian states that border Nepal and Tibet (Kashmir, Arunchel, Himachel, Sikkim, and West Bengal).

According to the Home Affairs Secretary for the Tibetan government-in-exile, Mr. Tenzin, none of these people have "permanent homes or livelihoods." Many have only seasonal work, dividing their time between road crew work in the spring/summer months and petty business (e.g. sweater selling) in the fall/winter months. The lifestyle is nomadic with most families living out of tents or small Tibetan shanties wherever temporary work can be found. Most of the unsettled refugees have an income that is substantially lower than that of the settled refugees, and of the general Indian population living in the same regions. The poor living conditions are further complicated by the lack of fundamental education and health care. Malnutrition and tuberculosis are prevalent.

The difficulties in settling these refugees are tied to acquiring land and funding for new settlements.

The scarcity of large tracts of suitable land under government ownership and a shortage of funds for all refugee programs have drastically changed refugee resettlement policies and have prevented the Indian Government from assisting the CTA in meeting many of the needs of the displaced Tibetans. However, in 1986, in an effort to accelerate the stagnating efforts at resettlement, the Indian Government solicited property donations from 10 Indian states. To date, two states have offered sites for the settlement of approximately 400 Tibetan refugees. (Subsequent studies have found these properties incapable of supporting self-sufficient settlements.) A deforest-

ation law, ratified in 1980, strictly prohibiting the deforestation of public property further impedes development on government donated property.

#### IV. HUMAN RIGHTS

During the course of the trip, several Congressional staff members had the opportunity to meet and interview refugees who had recently fled Tibet. Many had recently escaped or been released from prison—all of these had been detained for actual or suspected participation in demonstrations. Although the refugees represented diverse segments of the population and came from various regions of the Tibetan plateau, their personal experiences offer vivid, concurring testimony to the oppressive, and often brutal, conditions in Tibet. The statements of these refugees confirm that the Chinese Government has put into effect their policy of "merciless repression."<sup>7</sup>

**Population Control.**—In one particularly poignant interview, three newly arrived young men from Amdo (eastern Tibet) were expressive and adamant in affirming that forced abortion and sterilization had happened in their region. They told us of abortion-vans that passed through villages in the early morning picking up all the women (including the Chinese) in the fields. Pregnant women were forced to have abortions. Other women, including unwed girls and the elderly, were sterilized. The second phase of this campaign included economic pressures and incentives for submitting to treatment in hospitals.<sup>8</sup>

#### A. Political prisoners

Following the September and October 1987 demonstrations in Lhasa, world attention was, for the first time since 1959, drawn to the harsh political, economic, religious and cultural restrictions under which Tibetans suffer. Since these demonstrations, human rights organizations, foreign government observers and individuals from around the world, have collected reliable evidence of the lack of "constitutionally guaranteed" autonomy and fundamental human rights for the Tibetan people, the lack of due process for Tibetan prisoners and detainees, the torture of prisoners and detainees and the summary execution of detainees and political prisoners.<sup>9</sup>

Our interviews with refugees fleeing between July 1988 and December 1988, indicate that Chinese authorities continue to arrest and imprison Tibetans for their non-violent expression of dissatisfaction with current Chinese Government policies in Tibet. In many instances, the arrests were during the late hours of the night and, particularly in the case of young men, without

more than suspicion of counter-revolutionary activity or speech. All of the detainees were interrogated on numerous occasions. The questioning was done in a manner to force confessions or to implicate others involved in anti-Chinese activities. Many of those imprisoned were held for more than four months, even if no evidence of the suspected activity was found or held by Chinese authorities.

All the interviewed refugees held in Chinese prisons were tortured; usually during interrogation. The degree and methods of torture varied. The more common methods were: (1) beatings, often with metal bars or boards with exposed nails; (2) electric shock; (3) rope torture which entails suspending a prisoner by his/her arms or legs; (4) stripping a prisoner and exposing him/her to harsh weather conditions for extended periods of time; and (5) dragging a prisoner behind a horse. Many prisoners were interrogated and/or tortured on a daily basis for several months. Most of the ex-prisoners indicated in their statements that the treatment of Buddhist monks and nuns was more severe than that meted out to lay people.

#### B. One account

Tenzin Samphel, age 24, left Lhasa on June 12, 1988, first by truck and then by foot across the Himalayan mountains. After walking for ten days he reached a Nepalese village named Gola where he was arrested by Nepalese authorities. Tenzin was held in a local jail for four days, then brought back to the border where he was met by eight Chinese police officers and about 20 people's militia. As he was handed over to the Chinese authorities, the police gave the Nepalese guards a carton of cigarettes.

Tenzin's hands and feet were shackled, and he was taken to a police station. Later he was tied to two horses and dragged for one and a half hours to a Tibetan town called Riwocha where the townspeople and some Nepalese traders gathered to watch the spectacle. That night Tenzin was put in a cell and beaten severely with a pair of handcuffs, a belt and electric cattle prods. The torturers used two types of cattle prods, the shorter of which delivered a more powerful shock. After that night, he was unable to stand without assistance for eight days.

The next day Tenzin was driven to Dingye, and from there to Shigatse where he was imprisoned in Titchu Prison. He was kept in Titchu for two months and 16 days. Tenzin estimated that the prison held 60 prisoners, all of whom had been caught trying to cross the Nepalese border, either by Chinese authorities or Nepalese border guards. There were 5 Chinese among the prisoners, the rest were Tibetans. All were relatively young men, and many were monks. According to Tenzin, some of the monks in Titchu Prison, who came from areas east of Shigatse, were apprehended in and around Shigatse and were imprisoned on the assumption that they were headed for the border.

Beating and torture were a daily routine for the prisoners. Tenzin watched some prisoners who were made to kneel for two hours while being beaten with long wooden sticks. Tibetan prisoners were asked their views on the Dalai Lama and Tibetan independence, along with other political topics.

Many of the prisoners had been held in Titchu Prison for five or six months and could expect to remain in prison for up to two years, which the Tibetans were told was the statutory maximum length for the

<sup>7</sup> The South China Morning Post, July 20, 1988, quotes Mr. Qiao Shi (standing committee member of the Politburo and head of China's security apparatus) as saying the Chinese government of the Tibetan region must "adopt a policy of merciless repression toward all rebels."

<sup>8</sup> An op-ed by Blake Kerr entitled "Witness to China's Shame—How Human Rights and Families Suffer in Tibet" appeared in the Washington Post, February 26, 1989 and was inserted into the Congressional Record, February 28 (pp H447-448). Mr. Kerr's article is based on recent interviews with Tibetan refugees and focuses primarily on the issue of population control.

<sup>9</sup> Reports of Chinese human rights violations in Tibet published in the past year include those by Asia Watch (February 1988 and March 1988) and International Alert (August 1988), and a trip report of the U.S. Senate delegation led by Senator Patrick Leahy to Lhasa in August 1988. These reports and others are available from the International Campaign for Tibet, Suite 739, 1511 K Street, N.W., Washington, DC; 628-4123.



crime of leaving the country without authorization. Upon his release, Tenzin made his way to a remote area of the Tibetan-Nepalese border and paid a Nepalese guide 1,200 yuan (approx. \$325) to lead him past the Nepalese border guards. Eventually, Tenzin reached India where he now lives in a refugee settlement.

#### C. Refoulement of refugees

Reports indicate that Nepal is forcibly repatriating Tibetans who enter Nepal from Tibet on their way to India.<sup>10</sup> In the past, the Nepalese authorities have done little more than extort money from Tibetan refugees entering Nepal without travel papers and, then, allow the Tibetans to travel on to settlements in India. It is apparent through our discussions in India and Nepal, that forced repatriation by Nepalese authorities now occurs regularly and as a matter of policy. China, in turn, often withholds travel papers and passports from Tibetans wishing to travel to India and Nepal. (Documents must be procured from the Police Security Bureau and the procedure is lengthy and intimidating.) The most disturbing aspect of this recent change is that repatriated Tibetan refugees are subject to imprisonment and torture by Chinese authorities.

A well documented case of forced repatriation, as reported by Amnesty International, Refugees International, and the Western press, occurred last June when 26 Tibetans were apprehended in Kathmandu and handed back to the Chinese at the border (see section II.B.). It is unknown how many Tibetans are picked up along the common border, although it was indicated to us that among the refugees, it was commonly expected that several attempts at crossing would be required before success and that since the new policy, many refugees are too fearful to attempt a crossing at all. Reliable accounts indicate that refugees caught by Chinese authorities or returned from Nepal are routinely imprisoned and tortured.

#### V. AN AUDIENCE WITH THE DALAI LAMA

At the end of the trip, our meeting with His Holiness the Dalai Lama was an invaluable opportunity to put forward our summations for comment and so take advantage of his insight and experience. On behalf of his countrymen, inside and outside of Tibet, he expressed gratitude to the U.S. Congress for their support. He thanked the delegation for demonstrating this support by visiting the Tibetan settlements and for lending encouragement to his people's efforts for international recognition.

The Dalai Lama placed heavy emphasis on the need to sensitize the world community to the plight of the Tibetans under Chinese rule. He believes that as a result of international examination, the Chinese policies of human rights violations, cultural oppression, environmental abuse and popula-

tion transfer will be exposed. Further, he believes that in this international forum, through discussion and follow-on pressure, more humane policies will be put into place. In this connection, the proposed negotiations between the Dalai Lama's representatives and the Chinese are crucial.

#### VI. PROPOSALS FOR CONGRESSIONAL ACTION

In the course of the 2-week Congressional staff visit to Tibetan refugee settlements in India and Nepal, a number of proposals for future Congressional action took shape. Some of our suggestions are for further legislative action while others represent avenues that can be pursued non-legislatively for greater recognition of the Tibet issue and for Tibetan concerns and needs in the settlements.

1. Funding for development projects in the Tibetan refugee settlements.—The group agreed to explore the possibility of Agency for International Development (AID) involvement in Tibetan development goals, either by technical assistance from AID in-country staff or through the funding of specific projects. The avenue of AID funding can be pursued either legislatively in foreign aid appropriations to Nepal and India or by encouraging AID to make grants to the Snow Lion Foundation, the Overseas Education Fund, the Tibet Fund, directly to the CTA, or to other non-governmental organizations.

As mentioned elsewhere in the report, the development needs to be funded include irrigation, education, marketing, agricultural feasibility studies, vocational training, capital equipment and housing.

2. United Nations Observer Status for the CTA.—A need was seen by the group for a more official voice for the Tibetan people in the United Nations and in U.N. affiliated agencies. While some correspondence has been between Members of Congress and the Executive Branch on this issue, we agreed that further exploration of the possibilities of Observer Status would be worthwhile. This interest may be pursued through the good offices of the Congressional Observers to the United Nations.

3. The inclusion of Tibet in the Declaration of the United Nations Decade of Anti-Colonialism.—The 1990's has been designated as the decade of anti-colonialism. Many specific countries and territories still suffering colonial domination are cited in the official declaration, but no mention is made of Tibet. The addition of Tibet can be approached via Congressional letters of support to U.N. member states and, again, through the designated Congressional Observers to the United Nations.

4. Refugee status for Tibetans in Nepal.—The United Nations High Commission for Refugees (UNHCR) has the authority to declare the Tibetans in Nepal to be refugees under international law. Such a declaration would clarify the status of the Tibetans in Nepal and afford them protections that they do not now enjoy, including a prohibition on involuntary refoulement by the government of Nepal. The Tibetans in Nepal have no official documentation or travel documents, causing them great uncertainty and a constant fear of detention or refoulement. Additionally, it is hoped that official UNHCR designation of the Tibetans as refugees would bring more worldwide attention to their situation as well as practical and financial assistance from that agency.

5. VOA broadcasts into Tibet.—Voice of America programming, currently limited to the Han Chinese in scope and language, should be expanded to include programming

in the Tibetan language. Tibetans need information on world affairs in addition to that given them by the party's highly censored media; they especially need to know about the activities of their compatriots outside China. This reporting would help the Tibetans understand the larger context of their relationship with China.

In addition, VOA Tibetan language broadcasts would address the concern of the Tibetan community in exile and within Tibet in the disappearance of the Tibetan language, particularly among the younger generation which is forced to speak and learn in the Chinese language in the PRC educational system. The Tibetan language is, of course, a critical component of this unique culture and the inability of younger Tibetans to speak it is considered by all to be a grave development and a powerful example of how threatened the Tibetan culture is.

6. Scholarships to Tibetan refugees.—More and more young Tibetan refugees are now completing high school level courses and looking forward to attending universities. The settlement communities are also eager for the new students to attain advance degrees for the benefit of the communities which have an increasing need for technical knowledge and expertise. The Tibetans would prefer to have their children trained and educated at the college level rather than continue to depend on the Indian of Nepali population for high level assistance. In this way the Tibetan settlements could expand their present enterprises, particularly in areas such as dairy cooperatives, hotel and restaurant management, and carpet manufacturing, to include small factories and overseas marketing of their products. Expansion of this nature would create more employment and, in time, provide more challenging job opportunities for those Tibetans who aspire to achieve degrees and serve their home settlements.

By increasing the possibilities of advanced education, the Tibetans hope to encourage young people to stay on the settlements, thereby perpetuating Tibetan community and culture while in exile.

In the FY 87 State Department Authorization Act (PL 100-204), 15 scholarships at U.S. universities have been set aside, on an annual basis, for Tibetans living in exile. The program has been administered under the guidance of USIA and is considered a success. We recommend the continuation and increase of this program and encourage its reauthorization.

7. Protesting arms sales to the Peoples Republic of China.—The Arms Export Control Act requires the President to notify the Congress when the U.S. Government intends to issue a letter of offer to sell of a foreign country defense articles or services over \$50 million or any major defense equipment valued over \$14 million. As the PRC is not an ANZUS or NATO country, the requirement is that the notification must be made 30 calendar days before the letter of offer can be issued. The Congress has the authority to disapprove of such a sale if it is able to pass a joint resolution of disapproval. While these resolutions are very difficult to pass, they do offer the opponents of a sale the opportunity to raise important issues in the House Foreign Affairs Committee and the Senate Committee on Foreign Relations. Hearings can be held and if the author of the joint resolution of disapproval is successful, debate on the proposed arm sale can be taken to the House and Senate floors.

<sup>10</sup> Although Nepal is not a signatory to the 1951 Refugee Convention nor the 1967 Refugee Protocol, non-refoulement is a moral obligation and has, over time, developed into a legal obligation derived from related rules of conventional and customary international law. "It must be emphasized that non-refoulement is not about returning refugees to intermediate countries or so-called countries of first asylum. Nor is non-refoulement about the failure to provide durable solutions. The central, if not the only valid question in the non-refoulement debate is that of risk to refugees." (Quote by Guy S. Goodwin-Gill, Office of the U.N. High Commissioner for Refugees (UNHCR) in Geneva.) Mr. Goodwin-Gill has written a thorough examination of this issue, "Non-Refoulement and the New Asylum Seekers," Virginia Journal of International Law, Vol. 26, 1986.

In the case of the PRC, those concerned which China's policies in Tibet can raise that issue by offering a resolution of disapproval for arms sales to that country.

8. Human rights conditionality on aid and sales to the PRC.—Section 502B of the International Development and Security Cooperation Act (the foreign aid authorization vehicle) conditions security assistance to any country "which engages in a consistent pattern of gross violations of internationally recognized human rights." In recent years the United States has begun to sell small amounts of weaponry to the PRC. These sales are an opportunity to raise the PRC's record on human rights in Tibet in committee and on the floor. Of course, the Tibet issue can be raised whenever a military sale is proposed, even when the threshold of \$14 million or \$50 million is not reached.

Section 502B has a number of more specific human rights requirements related to the provision of security assistance including ones that may have more immediate impact on programs to the PRC. These include prohibitions on coerced abortion, involuntary sterilization and an unwillingness to allow on-site visits by appropriate international organizations to investigate alleged violations of internationally recognized human rights standards.

Additionally, the International Security and Development Cooperation Act requires the Department of State to report annually to Congress on the human rights practices of all nations. The Foreign Affairs Subcommittee on Human Rights and International Operations holds hearings each Spring on the "Country Reports for Human Rights Practices."<sup>11</sup> It has been suggested that knowledgeable Members of Congress and human rights organizations should take the opportunity the Subcommittee affords to testify on the PRC's treatment of Tibetans.

#### VII. UPDATE

In the few months since the Congressional staff group returned from India, several important events have occurred:

The Chinese Communist Party General Secretary of the Tibetan Autonomous Region Wu Jinghua was replaced by Hu Jintao for failing to deal successfully with the Tibetan problem.

On December 10, 1988, the 40th Anniversary of the United Nations Declaration of Human Rights, Chinese police in Lhasa opened fire, without warning on a group of peaceful Tibetan demonstrators. At least two demonstrators were killed on the spot, and many were wounded. Twenty-two members of Congress wrote to Chinese Premier Li Peng condemning this action. A member of Congress subsequently visited Beijing to raise this incident with high-level Chinese officials.

In their December summit meeting, Prime Minister Gandhi, in response to Chinese Premier Li, clarified Indian policy towards Tibet by saying Tibet is a part of China and India would not interfere in Chinese internal affairs. This came as a setback to many Tibetans who had hoped for a "moral"

rather than "political" approach from Gandhi. A demonstration by Tibetans protesting Gandhi's statement, in front of the Chinese Embassy in Delhi, prompted the Chinese threat that any such demonstrations jeopardize future discussions. (Apparently further conditioning negotiations to good behavior inside and outside of Tibet.)

In January, the Chinese sentenced 27 Tibetans, some for their involvement in demonstrations, and other, such as Yulo Dawa Tsering, for advocating independence to foreigners ("collaborating with foreign reactionary elements" as stated by the Chinese press). Yulo Dawa Tsering, age 53, was adopted by Amnesty International as a "prisoner of conscience" and is one of Tibet's most prominent political prisoners. He was sentenced to up to 14 years imprisonment.

During the February 25-26 visit to China by the Administration, Secretary Bush extensively discussed the Tibetan issue. President Bush did not bring up the topic of human rights in his meetings with China's top leaders, although human rights advocates in Congress and elsewhere urged him to do so.

#### APPENDIX A: CHINESE-TIBETAN AGREEMENT ON MEASURES FOR THE PEACEFUL LIBERATION OF TIBET

THE AGREEMENT OF THE CENTRAL PEOPLE'S GOVERNMENT AND THE LOCAL GOVERNMENT OF TIBET ON MEASURES FOR THE PEACEFUL LIBERATION OF TIBET, 23 MAY 1951

The Tibetan nationality is one of the nationalities with a long history within the boundaries of China and, like many other nationalities, it has done its glorious duty in the course of the creation and development of the great motherland. But over the last hundred years and more, imperialist forces penetrated into China, and in consequence, also penetrated into the Tibetan region and carried out all kinds of deceptions and provocations. Like previous reactionary Governments, the KMT [Guomindang] reactionary government continued to carry out a policy of oppression and sowing dissension among the nationalities, causing division and disunity among the Tibetan people. The Local Government of Tibet did not oppose imperialist deception and provocations, but adopted an unpatriotic attitude towards the great motherland. Under such conditions, the Tibetan nationality and people were plunged into the depths of enslavement and suffering. In 1949, basic victory was achieved on a nation-wide scale in the Chinese people's war of liberation; the common domestic enemy of all nationalities—the KMT reactionary government—was overthrown; and the common foreign enemy of all nationalities—the aggressive imperialist forces—was driven out. On this basis, the founding of the People's Republic of China and of the Central People's Government was announced. In accordance with the Common Programme passed by Chinese People's Political Consultative Conference, the Central People's Government declared that all nationalities within the boundaries of the People's Republic of China are equal, and that they shall establish unity and mutual aid and oppose imperialism and their own public enemies, so that the People's Republic of China may become one big family of fraternity and cooperation, composed of all its nationalities. Within this big family of nationalities of the People's Republic of China, national regional autonomy is to be exercised in areas where national minorities are concentrated, and all national

minorities are to have freedom to develop their spoken and written languages and to preserve or reform their customs, habits, and religious beliefs, and the Central People's Government will assist all national minorities to develop their political, economic, cultural, and educational construction work. Since then, all nationalities within the country, with the exception of those in the areas of Tibet and Taiwan, have gained liberation. Under the unified leadership of the Central People's Government and the direct leadership of the higher levels of People's Governments, all national minorities have fully enjoyed the right of national equality and have exercised, or are exercising national regional autonomy. In order that the influences of aggressive imperialist forces in Tibet may be successfully eliminated, the unification of the territory and sovereignty of the People's Republic of China accomplished, and national defense safeguarded; in order that the Tibetan nationality and people may be freed and return to the big family of the People's Republic of China to enjoy the same rights of national equality as all other nationalities in the country and develop their political, economic, cultural, and educational work, the Central People's Government when it ordered the People's Liberation Army to march into Tibet, notified the local government of Tibet to send delegates to the Central Authorities to hold talks for conclusion of an agreement on measures for the peaceful liberation of Tibet. At the latter part of April, 1951, the delegates with full powers from the Local Government of Tibet arrived in Peking. The Central People's Government appointed representatives with full powers to conduct talks on a friendly basis with the delegates of the Local Government of Tibet. The result of the talks is that both parties have agreed to establish this agreement and ensure that it be carried into effect.

1. The Tibetan people shall be united and drive out the imperialist aggressive forces from Tibet; that the Tibetan people shall return to the big family of the motherland—the People's Republic of China.

2. The Local Government of Tibet shall actively assist the People's Liberation Army to enter Tibet and consolidate the national defences.

3. In accordance with the policy towards nationalities laid down in the Common Programme of the Chinese People's Political Consultative Conference, the Tibetan people have the right of exercising national regional autonomy under the unified leadership of the Central People's Government.

4. The Central Authorities will not alter the existing political system in Tibet. The Central Authorities also will not alter the established status, functions and powers of the Dalai Lama. Officials of various ranks shall hold office as usual.

5. The established status, functions, and powers of the Panchen Ngoerhthelhi shall be maintained.

6. By the established status, functions and powers of the Dalai Lama and of the Panchen Ngoerhthelhi is meant the status, functions and powers of the 13th Dalai Lama and the 9th Panchen Ngoerhthelhi when they were in friendly and amicable relations with each other.

7. The policy of freedom of religious belief laid down in the Common Programme of the Chinese People's Political Consultative Conference will be protected. The Central Authorities will not effect any change in the income of the monasteries.

<sup>11</sup> The "Country Reports on Human Rights Practices for 1988" submitted by the Department of State, February 1989, points to China's violations in Tibet in the areas of: human rights (political killing, torture, and arbitrary arrest); civil liberties (freedom of speech and press, freedom of peaceful assembly and association, freedom of religion, freedom of movement); political rights; government attitude regarding international human rights investigations; and, discrimination based on race.



8. The Tibetan troops will be reorganized step by step into the People's Liberation Army, and become a part of the national defense forces of the Central People's Government.

9. The spoken and written language and school education of the Tibetan nationality will be developed step by step in accordance with the actual conditions in Tibet.

10. Tibetan agriculture, livestock raising, industry and commerce will be developed step by step, and the people's livelihood shall be improved step by step in accordance with the actual conditions in Tibet.

11. In matters related to various reforms in Tibet, there will be no compulsion on the part of the Central Authorities. The Local Government of Tibet should carry out reforms of its own accord, and when the people raise demands for reform, they must be settled through consultation with the leading personnel of Tibet.

12. In so far as former pro-imperialist and pro-KMT officials resolutely sever relations with imperialism and the KMT and do not engage in sabotage or resistance, they may continue to hold office irrespective of their past.

13. The People's Liberation Army entering Tibet will abide by the above mentioned policies and will also be fair in all buying and selling and will not arbitrarily take even a needle or a thread from the people.

14. The Central People's Government will handle all external affairs of the area of Tibet; and there will be peaceful co-existence with neighbouring countries and the establishment and development of fair commercial and trading relations with them on the basis of equality, mutual benefit and mutual respect for territory and sovereignty.

15. In order to ensure the implementation of this agreement, the Central People's Government will set up a military and administrative committee and a military area headquarters in Tibet, and apart from the personnel sent there by the Central People's Government it will absorb as many local Tibetan personnel as possible to take part in the work. Local Tibetan personnel taking part in the military and administrative committee may include patriotic elements from the Local Government of Tibet, various district and various principal monasteries; the namelist is to be prepared after consultation between the representatives designated by the Central People's Government and various quarters concerned, and is to be submitted to the Central People's Government for approval.

16. Funds needed by the military and administrative committee, the military area headquarters and the People's Liberation Army entering Tibet will be provided by the Central People's Government. The Local Government of Tibet should assist the People's Liberation Army in the purchases and transportation of food, fodder, and other daily necessities.

17. This agreement shall come into force immediately after signatures and seals are affixed to it.

Signed and sealed by delegates of the Central People's Government with full powers: Chief Delegate: Li Wei-han (Chairman of the Commission on Nationalities Affairs); Delegates: Chang Ching-wu, Chang Kuo-hua, Sun Chih-yuan; Delegates with full powers of the Local Government of Tibet Chief Delegate: Kaloon Ngabou Ngawang Jigme (Ngabo Shape); Delegates: Dzasak Khemey Sonam Wangdi, Khentrun

Thuptan, Tenthar, Khenchung Thup-ten Lekmuun Rimshi, Samposay Tenzin Thundup.

#### APPENDIX B: AN HISTORICAL CLAIM TO INDEPENDENCE

(Excerpted from "Human Rights in Tibet," An Asia Watch Report, February 1988).

Although documented contact between China and Tibet goes back at least to the sixth century, the modern-day debate about the historical status of Tibet takes the thirteenth century as its starting point, for it was at that time, so the present Chinese argument goes, that Tibet was drawn into the map of China. The basis for the Chinese argument is the conquest of both realms by the Mongols, even though Mongol domination of Tibet and China began and ended at different times. The extent to which Tibet was made specifically subordinate to the Yuan dynasty (1270-1368), the dynastic apparatus through which the Mongols ruled China, seems vague at best. The Mongol empire was a world empire, and though there is no doubt that Mongol domination extended into Tibet, there seems little basis for maintaining that the Mongols appended Tibet to China.

The succeeding dynasty, the ethnically Chinese Ming dynasty (1368-1644), clearly recognized that Tibet was quite distinct and separate from China. In an early document the first Ming emperor referred to Tibet as a foreign state, in language that was unequivocal. There were no serious attempts during the Ming dynasty to make Tibet a part of China. When the succeeding Qing dynasty had the official history of the previous dynasty compiled, the monograph on Tibet was placed in the section set aside for "Western Regions," and included the imperial domains of Tamerlane, hardly integral parts of China.

The question of Tibet's relationship to the Qing dynasty (1644-1911) is more problematic. The Qing, like the Yuan, was a conquest dynasty. Its Manchu rulers established an empire that had clear lines separating the administration of Tibetans, Mongols and Chinese; and governing their relations to the throne. What complicated the situation was the intense Sinicization of the Manchus in China during the eighteenth and nineteenth centuries, ultimately resulting in a people who considered themselves distinct from their Chinese subjects but who nevertheless had largely lost the most telling of distinctions; their own language. This metamorphosis was visible enough in China, but ironically did not really effect the administrative structure binding Tibet to the throne in a Manchu empire.

Tibet was incorporated into the Manchu dominions by various stages in the eighteenth century, at century's end Tibet was clearly under the control of the Manchu throne. The administrative arrangements under which this control existed were, however, quite separate from those pertaining to China. Chinese officials and Chinese provinces had no part in the governing of Tibet, save when in the eighteenth century large portions of eastern Tibet were detached from the jurisdiction of the Dalai Lama's government and placed under that of provincial and court officials. Today those portions of eastern Tibet still remain outside the modern Tibet Autonomous Region (TAR) although the cultural, religious and ethnic links between the Tibetan populations remain.

Under the Qing, Manchu officials supervised the Dalai Lama's government. The administrative apparatus for the management of Tibetan affairs was, during most of the dynasty, a bureau known as the "Court of Colonial Affairs." Its mandate clearly seems to have been the management of the court's dealings with areas that were not integral parts of the empire's Chinese realms. Thus it dealt with areas in the west, those places whence envoys came to court via overland routes; not simply areas such as Mongolia and Tibet, but (until the second half of the nineteenth century) Czarist Russia as well. There is a rather tragic irony inherent in the fact that as the Manchus became more Sinicized in China, far away in their realm's outer dominions these structures which held the Manchu empire together as a Manchu Empire, though already a creaking anachronism, were still in place. In the latter decades of the Qing there did appear plans (some realized, some not) to render some of the realm's Inner Asian areas into parts of China by simply making them Chinese provinces. Implicit in such actions was the notion that such an administrative change was the key to the integration of the outer dominions into China. Neither Tibet nor Mongolia were made into Chinese provinces, though preliminary military moves that were certainly aimed in that direction had been undertaken with regard to Tibet.

When Manchu rule collapsed in 1911, both Tibet and Mongolia acted on the assumption that the structure linking them in one realm was defunct, and established themselves as independent states. We may take note of the fully parallel status of both lands under Manchu rule. Further complications about Tibet's position arose from the question of the extent to which China was seen to be the heir to all the Manchu realms. Mongolia escaped the implications of this problem. Tibet did not.

The U.S. did not recognize Mongolia until this past year. Certainly the geo-political factor of Mongolia's alignment with the Soviet bloc had much bearing upon this. To a great extent, however, recognition for Mongolia was withheld for the same reason it was never accorded to Tibet in the years after 1911: American desires not to offend China's Guomindang rulers, both during the Republican period and later on after the Guomindang had fled to Taiwan.

In the years following the Qing collapse, the Chinese republic was able to lay claim to all of the Qing dominions without the issue ever coming to a head. To some extent this was surely because the Republic of China could do little more than claim these areas. The territory of the present TAR was wholly under the rule of the Dalai Lama's government, with no regard shown for Republican claims. The Mongolian People's Republic, under Soviet protection, was likewise beyond China's reach, as was much of Xinjiang for a good part of the pre-1949 period.

The establishment of the People's Republic of China (PRC) in 1949, and the flight of the Guomindang Republican government to Taiwan, marked the eventual end of Tibet's independence. It should be understood that when Tibetans raise this issue they are conscious of a time in the recent past—i.e. prior to 1951—when the territory of the present Tibet Autonomous Region was in fact independent of any Chinese rule. Moreover, whatever one may think about the justice or viability of Tibetans' claims to independence, it ought to be acknowledged that the Chinese historical view of the situation is

not necessarily accepted by Tibetans; it is surely not the point of view that Tibetan activists bring with them to the political dialogue.

#### APPENDIX C: THE DEMONSTRATIONS

1987

Sept. 27: About 150 Tibetans, led by 30 monks from Drepung monastery, demonstrate in Lhasa: 36 arrests.

Oct. 1: Over 3000 Tibetans, led by about 30 monks from Sera monastery demonstrate in Lhasa. 19 dead, 1000 arrests.

Oct. 6: 100 people march from Sera to TAR headquarters. All were arrested.

Nov. 20: Tibetan students demonstrate in Rekong, Amdo.

Nov. 25 and Dec. 1: Tibetan students of Ngapa, Amdo, boycott classes to demand better conditions.

Dec. 19: Some 20 nuns demonstrate in Lhasa.

1988

March 5: 10,000 Tibetans demonstrate in Lhasa. 36 dead, many injured, over 1000 arrests.

March 16: 5,000 Tibetans demonstrate in Xining, Amdo. 18 killed, 57 seriously injured.

March: Monks of Rekong monastery demonstrate in Amdo.

April 17: 12 nuns from Shongseb demonstrate in Lhasa.

April 24: 6 nuns demonstrate in Lhasa. Arrested.

Apr./May: At Labrang in Amdo, Tibetans evict Chinese who had built houses on monastery land.

May 17: 30-40 nuns demonstrate in Lhasa. Many arrests.

May 30: 6 monks in lay clothing demonstrate in Lhasa.

June: Tibetans in Ngapa, Amdo, demand the repatriation of Chinese settlers.

June 24: 11 monks of Chöde Gön demonstrate in Ba, Kham.

Sept. 7: 3 nuns from Sargkhung nunnery demonstrate in Lhasa.

Sept. 27: 9 monks demonstrate in Lhasa, to commemorate the 27 Sept. 1987 demonstration. 6 arrested.

Sept. 29: Monks from Ratö (near Lhasa) protest 20 arrests.

Dec. 10: 40th Anniversary of the Universal Declaration of Human Rights. 18 killed, over 130 wounded, many arrests.

Dec. 18: 80 Tibetan university students in Beijing march for Tibetan Human Rights and a peaceful resolution to the issue of Tibet; against China's military invasion of Tibet and brutal repression in Lhasa.

Dec. 30: 300 Tibetan students and teachers march in Lhasa.