

# HOUSE OF REPRESENTATIVES—Thursday, September 6, 1990

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. BONIOR).

## DESIGNATION OF SPEAKER PRO TEMPORE

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

WASHINGTON, DC,  
September 6, 1990.

I hereby designate the Honorable DAVID E. BONIOR to act as Speaker pro tempore today.

THOMAS S. FOLEY,  
*Speaker of the  
House of Representatives.*

## PRAYER

Rabbi David B. Saltzman, Aventura-Turnberry Jewish Center, Aventura, FL, offered the following prayer:

O Lord who is manifest in the wonders of the natural world and in the story of humankind, we are aware of the important moment in history which we face.

As the seasons change, now that Labor Day has passed and the fall season is upon us, we recognize that it is traditional to begin to take stock of our deeds and thoughts and resolve to utilize our spiritual resources and inner strength in order to be more able to accomplish our goals for the future.

We pray that the leaders of our country gathered here, will continue to hear the lessons of the past and work to fulfill the dreams and ideals that are yet to be realized.

May this country continue to grow as a dynamic model of the flowering of the human spirit and continue to be a bastion for liberty and freedom.

Our prayers are with the members of the Armed Forces who are once again announcing to the world that the United States has learned from our past and is true to our ideals and purposes.

Bless all who are working to ensure a world at peace where individuals and peoples can live with security.

May the power that created harmony in the universe, grant us the ability to live in a world where all God's creatures understand the need for shalom, peace, harmony, and a sense of completeness and to that let us all say 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. The gentleman from Florida [Mr. LEHMAN] will lead the House in the Pledge of Allegiance.

Mr. LEHMAN of Florida 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.

## RABBI DAVID B. SALTZMAN

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

Mr. LEHMAN of Florida. Mr. Speaker, I would like to thank Chaplain Ford for the privilege of having Rabbi David Saltzman as the guest chaplain this morning.

Rabbi Saltzman has served for the past 11 years as spiritual leader of the Aventura-Turnberry Jewish Center, a dynamic and growing congregation in our 17th Congressional District. This coming Sunday, I will be attending the official ceremony for the placing of the Torah in the new sanctuary.

Rabbi Saltzman was born in Brooklyn, NY, attended Flatbush Yeshiva High School, and graduated from Brooklyn College, after first spending his freshman year at Bar Ilan University during the time of the Sinai campaign. He was ordained at the Jewish Theological Seminary in 1965, where he was awarded the degree of doctor of divinity. He also holds a masters of Hebrew letters and master in academic administration.

Rabbi Saltzman has had a rich religious background, serving the spiritual needs of congregations in Massachusetts, New York, Illinois, and Florida, and as Navy chaplain in Guantanamo Bay, Cuba, and later with the marines in Vietnam.

This fall, Rabbi Saltzman will be leaving our community to serve as rabbi of the Conservative Congregation Moriah in Haifa, Israel. Our community will miss him, but we are most fortunate to have him with us today.

## WE OUGHT TO BE REITERATING OUR SUPPORT FOR PRESIDENT BUSH IN THE MIDEAST CRISIS

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

Mr. GEKAS. Mr. Speaker, increasingly there are Members of Congress who are taking the podium to give indication that they are beginning to abandon the President on his initiatives in the Middle East. Now is precisely the time when we ought to be reiterating our support for the President in the crisis in the Persian Gulf.

After all, the President has already been able to reach two of the three goals that he has stated: First, to deter aggression into Saudi Arabia; second, to converge the international community onto the crisis so that it would be a world against Iraq, not the United States against Iraq; and third, yet to be accomplished, the blockade, the economic blockade to bring Saddam Hussein to his senses, to his knees, if necessary.

The more time we give him—and we must give him time—the less chance there is that American blood will be spilled.

So let us respond immediately to those critics of the American policy and reiterate our support for the President to use whatever is necessary to make sure that our policy of national security and protection of our standard of living is protected in the Persian Gulf.

## DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. LEHMAN of Florida. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

## ADJOURNMENT TO MONDAY, SEPTEMBER 10, 1990

Mr. LEHMAN of Florida. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at noon on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

□ 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.

There was no objection.

**PROVIDING FOR A JOINT SESSION OF CONGRESS ON TUESDAY, SEPTEMBER 11, 1990**

Mr. LEHMAN of Florida. Mr. Speaker, I offer a privileged concurrent resolution (H. Con. Res. 365) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 365

*Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on Tuesday, September 11, 1990, at 9 o'clock post meridiem, for the purpose of receiving such communication as the President of the United States shall be pleased to make to them.*

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

**IMPORTANCE OF NAVAL ORDNANCE STATION IN LOUISVILLE, KY**

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

Mr. MAZZOLI. Mr. Speaker, I support President Bush's decision to send U.S. military personnel to the Persian Gulf.

□ 1010

And like all Members of the House and Senate and people in the United States, we hope that this crisis can be settled quickly and peacefully.

Mr. Speaker, the current gulf crisis, however, demonstrates the importance of the U.S. Navy's sealift ability and seapower ability, and it demonstrates the vital role in both sealift and seapower played by Naval Ordnance Station, Louisville, which is located in my hometown.

Ironically, Naval Ordnance Station, Louisville, is one of the bases targeted for possible closure or realignment by Defense Secretary Cheney's decision of January of this year, 1990.

Mr. Speaker, events unfolding in the gulf, even as we speak today, underscore the importance of naval ordnance and the importance of the Pentagon not to move precipitously in deciding naval ordnance station's fate in the future.

In this connection, I wholeheartedly endorse the fair and impartial base closure guidelines which the House Committee on Armed Services, under the chairman, the gentleman from Wisconsin [Mr. ASPIN], has worked into the 1991 Defense bill which will reach the floor later this year.

I urge my colleagues in the House to support the language on base closure and the bill itself, when they reach the House, in order that we not in any

way impede our ability to handle the problems in the gulf region.

**THE 1990 AAA SCHOOL SAFETY PATROL LIFESAVING MEDAL**

The SPEAKER pro tempore (Mr. PAYNE of Virginia). Under a previous order of the House, the gentleman from Florida [Mr. NELSON] is recognized for 5 minutes.

Mr. NELSON of Florida. Mr. Speaker, on September 14, the American Automobile Association will present to five deserving young students the highest award given to members of school safety patrols throughout the United States—the AAA School Safety Patrol Lifesaving Medal.

The Lifesaving Medal Program was initiated in 1949 by the American Automobile Association to recognize and honor selected school patrol members for heroic lifesaving actions. These awards are presented annually to school safety patrols who, while on duty, have saved the lives of persons in imminent danger.

An award review board composed of representatives from national educational, law enforcement, and safety organizations, selects outstanding medal recipients from candidates who have been officially nominated for consideration.

I am pleased to offer special commendation to the 1990 AAA School Safety Lifesaving Medal recipients:

Katie Dalbey, age 10, Tuscan Elementary School, Maplewood, NJ.

James Moon, age 9½, Monteith Elementary School, Grosse Pointe Woods, MI.

Taras P. Pacula, age 12, Winesburg Elementary School, Winesburg, OH.

Donald K. Pierce, Jr., age 10½, Monteith Elementary School, Grosse Pointe Woods, MI.

Robbie Sanders, age 12, McCurdy Elementary, Florissant, MO.

Many congratulations to these outstanding AAA school patrols.

**INTEREST ON UNDERPAYMENTS OF TAX**

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. STARK] is recognized for 5 minutes.

Mr. STARK. Mr. Speaker, I rise today to introduce a bill entitled the Interest Equity Act of 1990. This is a simple bill with one purpose, and one purpose only—to treat business taxpayers the same as individuals regarding interest they pay on tax obligations.

Since the passage of the Tax Reform Act of 1986, most of the interest paid by individuals has been subject to an increasing nondeductible percentage. Last year, 90 percent of individual's personal interest was nondeductible. This year, 100 percent is nondeductible. As you know, Mr. Speaker, interest is no longer deductible on such worthy obligations as education and medical loans. Likewise, interest you pay to the Internal Revenue Service if you pay your taxes late can no longer be deducted. Some folks might say, "Why should it be? Why should I, a person who pays my taxes

when they're due, subsidize someone who pays their taxes late?"

A good question, yet that's a subsidy that business taxpayers enjoy today. The individual taxpayer subsidizes the tax writeoff that businesses take when they pay interest on tax payments made after they are due. For corporations, that can amount to up to \$340 of every \$1,000 they pay in interest on their obligations. That's right, for every \$1,000 a corporation is assessed in interest, only \$660 actually comes out of the corporate coffers; the rest comes out of the pockets of other American taxpayers.

There's another aspect to this. During hearings held a couple of months ago by the Ways and Means Subcommittee on Oversight, there was mention of one company that delayed providing information necessary for completing an audit only to turn around at the completion of that audit and deduct the interest on the increased tax on their next tax return. So not only are we subsidizing the decision to delay payments of tax, we are doing so at the expense of our system of tax administration.

Mr. Speaker, this isn't one of those huge revenue raisers that we're going to need to balance the budget, but revenue-wise, it's a winner, not a loser, and it's good tax policy.

H.R. —

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

**SECTION 1. SHORT TITLE.**

This Act may be cited as the "Interest Equity Act of 1990".

**SEC. 2. INTERNAL REVENUE CODE AMENDMENTS.**

(a) **DISALLOWANCE OF INTEREST EXPENSE.**—Section 163 of the Internal Revenue Code of 1986 is amended by inserting the following:

"(k) Disallowance of deduction for interest paid on tax obligations."

"(1) **IN GENERAL.**—In the case of any taxpayer, no deduction shall be allowed under this chapter for interest on tax obligations paid or accrued during the taxable year.

"(2) **INTEREST PAID OR ACCRUED ON TAX OBLIGATIONS.**—For purposes of this subsection, the term 'interest paid or accrued on tax obligations' means any interest paid or accrued on the following amounts:

"(A) Any amount required to be paid by the Internal Revenue Code of 1986;

"(B) Any amount for which a deduction is allowed under Section 164 of the Internal Revenue Code of 1986;

"(C) Any additions to taxes that are described in (A) and (B) above; or

"(D) Any amount for which a tax credit is allowed under Section 901 or 903 of the Internal Revenue Code of 1986."

(b) **CONFORMING AMENDMENTS.**—Subsection (k) "Cross references" is renumbered (1).

**SEC. 3. EFFECTIVE DATE**

This Act and the amendments made by this Act shall be effective for payments made after January 1, 1991.

**ON DEBT FORGIVENESS**

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas [Mr. ALEXANDER] is recognized for 15 minutes.

Mr. ALEXANDER. Mr. Speaker, we read in the morning news today that



congressional leaders are convening at Andrews Air Force Base for the purpose of trying to work out a resolution on the current budget. Among those numbers that were reported by the local newspaper, the sum of \$400 billion was thrown out as a possible deficit for next year. Actually, more precise numbers have been reported recently by the Committee on the House Budget, totaling about \$393 billion in Federal fund deficits for next year. I mention that figure only to make reference to the fact that the Bush proposal to forgive \$7 billion in debt owed to the United States by Egypt, our ally in the Middle East, for American military and other assistance, comes at a time when our budget is strained to the limits, when we face the possibility of massive Federal employee layoffs. The Federal Bureau of Investigation would be required to cut back many of its efforts to investigate organized crime in this country. The Task Force on Terrorism is threatened. The Drug Enforcement Administration would be required to cut back their initiative to fight the war on drugs. Also, there is little money to invest in our country, for such things as education and housing and public works, construction for highways, and other needed infrastructure.

If we are to deal with the Federal deficit, we must change both policies and management practices. One of the management practices that must be changed by this administration is the practice of the previous administration to ignore and to reschedule foreign debt collection. Foreign debt collection has been a subject of involvement, for me, almost from the day I came to the Congress 22 years ago. I felt then, as I feel now, that if foreign countries owe the American taxpayer money, then they should pay, the same as Americans must pay if they owe the Government money.

People I represent in Arkansas have a difficult time understanding how the Government can forgive billions of dollars in debt owed by foreign countries essentially treating those countries better than they treat American citizens. They know if those debtor nations had been Arkansas farmers, for example, or home buyers from the Farmers Home Administration, that the U.S. Government would foreclose those debts.

In fact, the U.S. Government did foreclose on many farmers in my district when policies of the past administrations sent farm prices plummeting through the floor, putting our farmers in a recession, unlike what we have seen in the last 20 years, and more like what we had during the 1930's, when farmers were unable to pay their obligations. I am sure those farmers are shaking their heads today over the news that the administration is proposing to wipe out \$7 billion in debt

when they lost their land and their homes for individual debts that appear tiny when compared to that massive figure.

I am told that the total debt owed by all farmers in Arkansas at the end of last year was about \$3.2 billion, less than half of what the administration proposes to forgive in Egyptian debt.

The proposed Egyptian forgiveness would pay the debts of my State's farmers, with a lot of change left over. Farmers and home buyers in Arkansas know that if they do not pay the Government, the Government forecloses. When foreign countries do not pay, they are forgiven their debts. It is that arrangement which the people I represent do not understand. I recognize from having served as a member of the Subcommittee on Foreign Operations, many years ago, that there are special circumstances that develop in foreign countries that must be given consideration. However, the problem remains that foreign debt is not being collected and should be. The Egyptian situation merely puts this whole issue of foreign debt collection back into the spotlight.

I must also add, Mr. Speaker, that if the United States had an energy policy which depended more on our own natural resources, and less on foreign oil, we import about 52 percent of our oil today, we would not have this problem in the first place. The advancement of the alternative fuels industry in this country would have been greatly accelerated if we had spent just part of that \$7 billion Mr. Bush proposes to forgive, in the development of alternative fuel sources, rather than in providing military aid, in order to protect fuel supplies coming from the Middle East.

Last year, I was successful in requiring the Department of the Treasury to provide a detailed accounting of the management of foreign debt owed to the United States, including information on the rescheduling of that debt. The rescheduling of the debt is a tool which has been used to evade provisions of the Alexander-Brooke amendment, passed in 1975, which merely said that if a foreign country is delinquent for more than 1 year in its obligations to the United States, that all future foreign aid is cut off. That is a reasonable provision. It is one that should be enforced, but it is one that was ignored by the Reagan-Bush administration, and I hope that the Bush administration changes that policy and that practice.

Mr. Speaker, the Alexander-Brooke amendment rests on the simple premise that if a nation is behind in its debt repayment to this country, it should not continue to receive foreign aid. I do not think it is so much to ask the countries which owe the United States money, to repay it. A high Government official was recently quoted

as saying that this country had given up hope of collecting the \$7 billion Egyptians owe to the United States, making the proposal to forgive it, a mere formality.

□ 1020

Mr. Speaker, I believe it is more than a formality, that we may be giving up hope of collecting too fast, and that such an attitude does not take into consideration the principle involved, which is what I am here today to discuss.

From my own experience I can tell my colleagues that it is possible to collect these debts, if someone will work at the task. I know from my own personal experience that in many cases the foreign countries simply have not been asked. Sure, there are special and extenuating circumstances, like in the case of Poland, for example, or, possibly, even Turkey, but in most instances our Government, our administration through the State Department, has simply not used the energy and the diplomacy necessary in order to get the job done.

In other words, Mr. Speaker, the executive branch cannot tell us how good or bad a job it is doing in collecting the past-due debts owed to the American people by foreign governments because they simply have not tried to do the job.

Mr. Speaker, I do not believe this is the way to run a railroad or a government, and, certainly if we are going to deal with the problem of the deficit facing this Nation, we must change some of our policies and some of our practices, and one management practice that we can begin with is to collect the debts that are justly owed to the American people by our foreign friends and allies abroad.

As we have seen, other nations are quickly lining up to receive the same treatment from this country as is proposed for Egypt and I believe that we may be sending the ship of state into very choppy seas.

I view this Egyptian debt proposal as the high price the Nation pays for being so dependent on foreign oil—it is a price which is too high.

America is now in the position of having to forgive billions in debt to protect its oil supply and is also in the frightening position of possibly having to trade blood for gasoline.

It must stop and it can stop.

A more efficient debt-collection process and an energy policy which depends more on the grain fields of the Midsouth than on the oil fields of the Mideast will help extricate America and the American taxpayers from this morass.

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

Mr. ALEXANDER. I yield to the gentleman from Massachusetts.

Mr. MARKEY. Mr. Speaker, during my trip to the State of Israel last week I had an opportunity to meet with many in the top Israeli leadership, including Prime Minister Yitzhak Shamir, Mr. Yitzhak Rabin, and Deputy Foreign Minister Netan Yahu.

I come away from those meetings convinced more than ever that while the obstacles to a lasting peace between Israel and the Palestinians are many, they are not insurmountable. Israel genuinely wants peace. The key question is, Will the PLO and radical Arab States develop their quest to destroy Israel and grant Israel its right to exist.

The combination of Arab intransigence and growing Arab military might, including acquisition of nuclear, chemical, biological, and ballistic missile capabilities poses a threat to the peace and security of the entire Middle East and Persian Gulf regions. These weapons also pose a particular threat to the security of Israel. U.S. policy must help to avert both threats.

Secretary of State Baker yesterday agreed to a request by Israeli Foreign Minister David Levy for Patriot ground-to-air missiles to defend Israel against Iraqi ballistic missile attacks. I commend the administration for this decision, which is a good first step toward preserving Israel's security against the heightened danger of Iraqi aggression and intimidation.

But in the weeks and months ahead, the United States must consider the consequences for Israel's security of a massive influx of arms into the Arab world. We want to bolster the ability of Saudi Arabia to defend itself against Iraqi aggression and we want to encourage the courageous efforts of President Mubarak and other moderate Arab leaders to contain Saddam Hussein. But at the same time, we must take steps to assure that in arming the Arabs, we do not undermine the security of Israel. We need a balanced military assistance policy, which assists moderate Arab States seeking to resist aggression, while simultaneously assuring the continued security and survival of Israel.

Saddam Hussein's invasion of Kuwait has served as a wake up call to the world regarding the true nature of the threat to international security. As the cold war had ended, ushering in a new period of cooperation between East and West, a new danger to international security is emerging along a North-South axis. The Iraqi invasion should serve as a springboard to renewed efforts to prevent the proliferation of weapons of mass destruction, as Secretary Baker suggested the other day. At the same time, it should also serve as a springboard for us to put the pressure on the Arab world to reach a peace agreement with Israel and to halt their support for Palestinian terrorism.

Mr. ALEXANDER. Mr. Speaker, I appreciate the contribution of the gentleman from Massachusetts [Mr. MARKEY], and I would simply add that I had the privilege of meeting with President Mubarek, when he was Vice President, about 10 years ago, and he is an ally and friend of the United States and one that we do not take lightly. I hope that the principles that I have discussed here about fiscal management and about fiscal policy in no way denigrate the appreciation that we all have for an ally, but the fact remains that business is business, and we must get about the business of our own fiscal affairs if we are to continue to maintain the troops in the Middle East that protect the vital oil supply that runs the wheels of commerce and agriculture in America.

Again, Mr. Speaker, I appreciate very much the comments of the gentleman from Massachusetts [Mr. MARKEY].

#### PERMISSION FOR COMMITTEE ON ENERGY AND COMMERCE TO FILE REPORT ON H.R. 5267, CABLE TELEVISION CONSUMER PROTECTION AND COMPETITION ACT OF 1990

Mr. MARKEY. Mr. Speaker, I ask unanimous consent that the Committee on Energy and Commerce have until midnight tonight to file the report to accompany H.R. 5267, the Cable Television Consumer Protection and Competition Act of 1990.

The SPEAKER pro tempore (Mr. PAYNE of Virginia). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

#### MINDING THE STORE

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

Mr. DARDEN. Mr. Speaker, certainly the attention of all this Nation has been focused on our crisis in the Middle East, as it properly should be. However, Mr. Speaker, I think we in Congress need to remember that there are other things that deserve our attention and deserve our work, as well, during the coming months.

While President Bush has done a commendable job, I believe with consultation and assistance from Congress in carrying on a very difficult mission in the Middle East, let us remember now that the job of the Congress is now to mind the store. We are directors, Mr. Speaker, of more than a trillion dollar corporation, and, if we do not meet our deadlines and our responsibilities by October 1, we can find ourselves in a rather embarrassing position with the American public.

So, Mr. Speaker, as we follow Ted Koppel, and Dan Rather, and Jim Kainerski, and Dan Farmer and others in the Middle East and our media attention is focused there, let us not forget what we are about in Washington, and that is to do the business of the people and to get our trillion dollar corporation obligations met so that we can continue the business of the U.S. Government. Mr. Speaker, let us keep on track and let us look after and mind the store, as well as meet our global responsibilities.

□ 1030

#### FOREIGN SUBSIDIARY TAX AVOIDANCE

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

Mr. WOLF. Mr. Speaker, I requested time today to discuss a matter that is very troubling to me and I believe will be as equally troubling to the American people when they learn all the facts about a situation involving foreign-owned subsidiaries and the payment of U.S. taxes.

We have recently been debating and approving next year's appropriations bills. At the same time, congressional leaders have been meeting with the President and his top advisers in a budget summit. And we have heard revised reports of the size of the Federal budget deficit. From some corners we have been hearing the call for new taxes. The serious problem that I will talk about today is part of the reason for the deficit and part of the reason for the shortfall in revenue. It is part of the reason for the trade deficit. The problem is that many foreign-owned subsidiaries in the United States are apparently not paying Federal income tax.

All of the evidence is not yet in, but today I want to raise some questions that I believe the American people deserve to have answered. The issue of foreign-owned subsidiaries avoiding U.S. taxes has been studied for the past 9 months by the investigators of the House Ways and Means Oversight Subcommittee. It is also currently being investigated by the General Accounting Office and the IRS. The results of these investigations—which you must remember are just preliminary—are troubling.

The Internal Revenue Service has reported that 1986 IRS statistics of income [SOI] data showed that foreign-owned companies reported approximately \$550 billion in gross sales in the United States in that year. That is a big number, and represents all of the VCR's, foreign cars, electronic equipment, and so on that Americans are buying. But these same foreign-



owned companies collectively reported negative taxable income of \$1.5 billion. Something here seems to be very, very wrong.

First I should indicate that this aggregate data does not prove that all foreign subsidiaries are avoiding taxes or are fixing their books—no one is claiming that all foreign subsidiaries are doing this. Many foreign subsidiaries are good, taxpaying corporate citizens that create jobs and are good for this country.

But as the investigators are scratching beneath the surface and are looking at specific industries and at specific companies, which are well-known to all of us, they are finding that the underreporting of income and tax avoidance may be pervasive. There has been testimony that these companies may have avoided paying up to \$25 billion that they owe to the U.S. Government.

I have been looking into how to improve American competitiveness over the past few years, and this particular tax avoidance matter seems to encompass many of the factors that keep coming up when I look at competitiveness. It is like a microcosm of many of the things that are making it more and more difficult for American businesses to compete. And this tax avoidance by foreign subsidiaries is particularly disappointing to me as a supporter of free and fair trade.

Let me make clear my background on trade matters, to put things in perspective. I believe in free and fair trade, and in a level playing field for all firms that want to invest around the world. I have consistently opposed protectionist approaches to trade problems during my time in Congress. I have on several occasions voted against textile import quotas, and textiles are an important industry in Virginia. I voted against my colleague Mr. GEPHARDT's amendment to the omnibus trade bill in 1987. I have opposed import adjustment assistance and I have voted against domestic content requirements. I believe that America has the most to gain by remaining open to trade and by encouraging other countries to open their borders to American products and services. So I have never advocated barriers to trade. That has to be clear, based on what I am going to say. I have never advocated barriers to trade.

But I have also had some very real concerns about America's position in the international marketplace. There are storm warnings in many sectors of the economy, and I have worked with Members on both sides of the aisle on ways to improve American productivity, savings, investment in plant and infrastructure, and education, so that in the years ahead America will continue to offer opportunity and world leadership.

One of the storm warnings that concerns me is the rapid rise in foreign investment in this country. Foreign investment clearly has its positive and negative aspects, if it creates jobs and brings new technologies to the United States, then it should be welcomed. But some commentators suggest that American business is giving up whole sectors of the economy, and that America is becoming so dependent upon foreign capital that it affects our national policies and priorities. If they are right, then there may be a problem.

All you have to do is read the newspaper, listen to the radio, or watch television to hear about foreign investors buying high-profile U.S. companies and properties, and gaining market share in high technology products. Foreign companies are making a big impact in some industries such as chemicals and consumer electronics, and in some areas in commercial banking. To me, the most troubling cases are when a foreign interest acquires a defense-related company. If it happens enough, there is the potential that American firms will no longer be able to supply our forces with essential technologies, and we can see how important that is by what is happening in the Persian Gulf today.

Public opinion polls suggest that the American people are concerned about foreign investment, about the persistent trade deficits that America runs with some of these countries, and about the overall economic future of this Nation. Add to this the evidence that some foreign companies which have set up operations here, and which have been importing high percentages of parts and thus have contributed to the trade deficit, may not be paying their fair share of taxes. What does this mean about the validity of some of the arguments in favor of foreign investment?

I want to mention another preliminary issue, before I get into this tax avoidance matter in detail. I have watched as the debate on foreign investment and competitiveness has progressed and a pattern has developed where the media pretty quickly puts you into one camp or the other. When you talk about foreign investment or foreign lobbying, Japan often becomes the focus. You either get labeled as an internationalist, or as some would say, an apologist, or you get labeled as a basher.

I don't think that I would like to be put in with either group, and I think that trying to discredit someone and his or her ideas by name calling just clouds the issues. It is a smokescreen.

On the issue of tax avoidance, it should not matter where you stand on foreign investment. The issue is whether or not these companies, which enjoy the benefits of American markets, capital infrastructure, and

workers, are paying their fair share of taxes.

The American taxpayer would have every right to be indignant if we are facing a huge budget deficit while foreign-owned companies are cheating on their taxes to the tune of billions of dollars. So today I want to raise some questions. I am not going to provide definitive answers, because the congressional investigators and the IRS are still looking into the matter. But I do want to raise some questions that I believe every business owner that pays taxes, and every American citizen that pays taxes, deserves to have answered.

I want to commend at the outset my colleagues who have focused on this issue, including DUNCAN HUNTER, DICK SCHULZE, MARCY KAPTUR, JAKE PICKLE, DICK GEPHARDT, and DAVID BONIOR. Now, let me briefly describe what the testimony before the Oversight Subcommittee has shown.

□ 1040

The congressional investigators focused on 36 foreign-owned U.S. distributors of automobiles, motorcycles, and electronics equipment. These companies are incorporated in the United States and distribute foreign-made products to American wholesalers and retailers. Out of the companies investigated, 25 were from Pacific Rim countries, and 11 had European parent companies.

The main tax issue that arose was transfer pricing, where, for example, a subsidiary would pay inflated prices for products that it purchases from the foreign parent to sell to the American public. By transferring the bulk of its profits back to the overseas parent because of this inflated price it pays, the subsidiary has a lower taxable income in the United States. Other ways of reducing taxable income that were discovered by the investigators included the shifting of income through excessive freight, insurance, and interest charges.

The investigators studied tax returns over a 10-year period, and found that more than half of the 36 companies investigated paid little or no Federal income tax. At the same time these companies were selling billions of dollars' worth of made products to American consumers.

Can it be that all of these companies are so poorly managed that even with billions in sales they are unable to make a profit?

Let me give an example of what the Oversight Subcommittee investigators found. They looked at one electronics company, described by IRS agents as a very aggressive and egregious taxpayer that had gross receipts over a 7-year period of approximately \$4 billion. The company, over that period, reported \$15 million in tax liabilities.

Now, it is possible that this company just had some bad years, and that is why its taxable income was so low. But when you look across the board among different industries and different companies and there is a pattern of unusually low taxable incomes, then this raises the question of tax evasion.

How much should these companies be paying in taxes? Several experts, including investment analysts, suggest that a rough estimate of how much a company should earn as taxable income is percent on gross revenues. So what would this mean for the electronics company with \$4 billion in gross revenue?

If the company made \$4 billion in gross receipts, you would thus expect a taxable income of roughly \$320 million. And assuming a corporate tax rate of 34 percent—and, of course, the corporate tax rate was higher than that a few years ago—you would expect that company to pay taxes of about \$109 million.

So it could be argued that this company probably should have paid taxes in the neighborhood of \$109 million. And that is just one company. How much revenue has the Treasury lost if this pattern exists among many foreign subsidiaries?

In studying the 18 foreign automobile and motorcycle companies, all but two paid some Federal income taxes. But many utilized net operating loss carryforwards to substantially reduce their tax liability. In tax year 1987, 10 companies reported \$38 billion in gross receipts and paid only \$366 million, or less than 1 percent of gross receipts in Federal taxes.

Are U.S. companies doing the same thing and underreporting their income abroad? At the Oversight Subcommittee hearing on July 10, an IRS official testified that he has studied the tax return data of U.S. subsidiaries abroad, and that these firms "generally earned 8- to 10-percent pretax net operating profit on their business receipts." So this is consistent with the 8-percent figure that could be used to roughly estimate what taxable income should be. Compare this with the 1 percent for foreign subsidiaries, and there is cause for concern.

IRS statistics for income data for 1987, the most recent year available, both for all foreign companies operating in the United States, and for all Japanese firms show the return on assets and return on receipts for all foreign firms in 1987 are both less than 1 percent. For all Japanese firms, the return on assets and return on receipts is slightly more than one-tenth of 1 percent.

In contrast, remember, American firms overseas are generally reporting 8 percent of gross receipts as taxable income.

Other statistics illustrate the performance of Japanese controlled sub-

sidaries in the United States, in billions of dollars, from 1984 to 1987. It is reported that the receipts of these subsidiaries have increased from \$112.6 billion in 1984 to \$184 billion in 1987. The Japanese seem to be doing pretty well, as anyone who has purchased a TV or VCR or microwave lately will attest. Statistics also show that the assets of Japanese subsidiaries in the United States have increased from \$65.6 billion in 1984 to \$172 billion in 1987. Again, a large increase.

It would seem to follow that the net income of these subsidiaries would also increase. In fact, the IRS reports that collective net income fell from \$1.6 billion in 1984 to \$219 million in 1987. This is how much was reported for tax purposes.

Why, if their profits were falling like this, did foreign investors increase their purchases of companies in the United States? Why is it that while their receipts and assets are increasing, their net income, their profits, are decreasing?

Does it mean that these firms are getting worse at managing their companies, or better at arranging their books so that they show less taxable income?

I would like to illustrate these points with some charts.

This first chart shows foreign-controlled U.S. corporation assets in billions of dollars. In 1984, and these are the figures of the Department of the Treasury, their assets were \$553 billion. In 1985 they went to \$656 billion, in 1986, to \$841 billion, and in 1987, \$950 billion.

The next chart illustrates foreign-controlled U.S. subsidiaries' receipts in billions of dollars. In 1984 they were \$459 billion; 1985, \$514 billion; 1986, \$543 billion; and in 1987, \$650 billion. That is gross receipts.

The next set of charts shows Japanese-controlled United States corporation assets in billions of dollars. In 1984 they were \$65.6 billion. In 1985 it went to \$81.1 billion. If one has been reading the newspapers, that is not exactly a surprise, because foreign investors have purchased many U.S. buildings and companies. In 1986 it was \$132.8 billion. In 1987, and it has gone higher since then, but this is the latest Department of the Treasury figure I have, it was \$172 billion.

Moving to the other chart, we see Japanese-controlled United States corporations' receipts in billions of dollars. In 1984 they were \$112 billion; 1985, \$133 billion; it drops to \$126 billion in 1986; it then shot up in 1987 to \$184.9 billion in receipts.

So we see assets going off the chart to \$87 billion. We see corporate receipts going up off the chart. I am sure every American would like their assets to be going up the same way.

□ 1050

This final chart shows Japanese-controlled United States corporations' net income, as reported to the IRS for tax purposes. It shows in 1984 net income was \$1.8 billion. In 1985 it dropped to \$1.3 billion in the midst of the economic recovery and prosperity under the Reagan administration, and as the economy continued to grow in this country their receipts dropped to \$629 million. Then in 1987, in the heyday of the economic recovery, their receipts were \$219 million.

The previous chart showed assets increasing. But the next chart shows as assets increased, net income decreased. As one goes up the other goes down.

I think this points to a problem. I think when Members focus on this they will agree that there may be a problem.

I think these statistics raise another issue—about who is providing advice to these foreign subsidiaries.

Obviously, the fact that some Members of Congress and the IRS are now focusing on tax avoidance by foreign subsidiaries means that those foreign subsidiaries that owe substantial back taxes are nervous. It means a lot of money to them. And, if the past is any guide, these foreign subsidiaries may spend big lobbying Congress to try to lessen the repercussions.

I believe that every company should be able to have access to legal advice and to accounting advice. But firms operating in this country also have an obligation to pay taxes. States? We are talking about possible tax evasion to the tune of \$25 billion, and this would seem to be more than just creative accounting. And it has occurred while the countries that these parent companies are from have been building up huge trade surpluses with the United States.

Concerns have been raised that a lobbying effort might be waged in an attempt to divert attention from this tax issue, and it is probable that some of the lawyers and lobbyists that the foreign-owned subsidiaries will look to for help will be former top-ranking Federal officials. These former officials were educated and learned about the workings of the government at the expenses of the taxpayers of this country.

I am a lawyer, and I have worked here in Washington for years, so I am not naive about these matters. But I have become concerned about foreign lobbying since the Toshiba case, when this Congress was basically rolled by foreign interest, to the detriment of the American public.

I am not going to take the time of the House to rehash all of the details of the diversions of sensitive milling equipment by a subsidiary of Toshiba and a Norwegian company to the Soviet Union. But basically Congress



was rolled by the lobbyists representing foreign interests, and the company involved got nothing more than a slap on the wrist.

Originally, Congress would have put a 3-year ban on U.S. sales by the parent Toshiba company, a ban which would have cost them \$2.5 billion. After the lobbying of former high-ranking U.S. officials, the final version of the Omnibus Trade Act included only a 3-year ban on imports from the subsidiary Toshiba Machine, which would cost them about \$300 million. At the same time that Toshiba claimed innocence, the company was negotiating the sale of another sensitive technology to another East Bloc country. The total cost to the Navy to regain our advantage in submarine technology ranges in the billions of dollars. And we may never be able to calculate the cost to our national security.

As Members will recall, Toshiba sold high-technology equipment to the Soviet Union which enabled the Soviet Union to develop a quiet propeller. Our Navy used to be able to hear the Soviet subs 100 miles off the coast, and after Toshiba sold this high-technology information to the Soviet Union that range was reduced to about 10 miles. They sold it for \$12 million, literally 30 pieces of silver. It was disappointing to see that activity. There were articles in the newspaper saying that Toshiba did not do it. Saying that if they did it, they apologized and that they were sorry. Then we found out that they were at the same time negotiating with another East bloc country to sell some other militarily sensitive equipment.

I might say that this technology endangered the lives of American sailors on submarines and the national security of the United States. To make up for the difference, it would cost anywhere from \$6 billion to \$10 billion to \$30 billion.

I would hope that the Congress and the administration learned something from the Toshiba case, and that it will never, ever be repeated. Many in Congress are watching very closely any similar lobbying effort on behalf of foreign-owned subsidiaries that are avoiding taxes. Personally, I am concerned about what some of these former top-level U.S. officials are doing once they leave office. But it is very difficult to pass laws to regulate ethics in that area.

I do not want to attack anyone personally. I would like to give these individuals the benefit of the doubt—they may think that they are just doing a job and are not working against America's best interests.

In all fairness, on the Toshiba case reasonable men and women could differ. What we are talking about is what takes place in the future.

But the American people could have legitimate concerns about former top officials who gain the public trust and learn the ins and outs of government while being paid by the taxpayers, then go out to represent foreign interests.

To give you an idea of the magnitude of this foreign lobbying, congressional testimony last year suggested that the lobbying efforts of Japan was more than the combined budgets of America's five top industry organizations—the U.S. Chamber of Commerce, the National Association of Manufacturers, the Business Roundtable, the Committee for Economic Development, and the American Business Conference.

The foreign lobbying issue troubles many people in and out of Congress, and some have called for a new ethic in Washington. Many people believe there ought to be a new ethic beginning now to see that perhaps some of the abuses of the past do not take place in the future.

One of the major concerns that I have about this foreign subsidiary tax avoidance matter is the effect that it has on the competitiveness of American business. If you and I are in the same business, and I pay taxes and you don't, you will have a huge competitive advantage. If the corporate tax rate is 34 percent, then you will have 34 percent more of your income to spend on research and development, marketing, investment in new plant and machines, and so on. You here talk about the competitive disadvantage because of the cost of capital in this country—well that difference is small compared with this. Every business man and woman who pays taxes in this country and has faced competition from foreign subsidiaries would have a right to be incensed about this.

There ought to be a level playing field. We all ought to be treated exactly equal.

□ 1100

There are also wider competitiveness repercussions. The Commerce Department reports that foreign-owned subsidiaries are much more likely than American companies to import finished products or parts from abroad. Thus, if they have more money to spend because of tax avoidance, they will be able to import more—this adds to our trade deficit. The figures on imports by foreign affiliates in this country are significant.

A Deputy Assistant Secretary of Commerce testified recently that in 1987 imports for foreign affiliates in the United States accounted for 35 percent of all imports, and 26 percent were imported directly from the affiliate's parent company. For Japan, the data is even worse: imports by Japanese affiliates in the United States ac-

count for 81 percent of total imports from Japan.

Several experts on transfer pricing cases suggest that a realistic estimate of the amount of unpaid taxes that the United States could recover in this area is \$50 billion. This figure represents about \$10 billion a year that could be collected for each year since 1985, plus interest on the unpaid taxes.

If there is delay in going after the unpaid taxes, however, the actual recovery could be much less, because of statute of limitations problems.

It is time for the Commissioner of the Internal Revenue Service to establish a strike force to investigate and, if the evidence supports it, to prosecute these cases. This strike force should be made up of experienced and talented tax auditors and attorneys, and the IRS should be given the authority to hire outside audit teams and tax experts to match up against the hired guns that will be representing the foreign-owned subsidiaries.

The Treasury appropriations bill that the House passed on July 13 included an amendment that I offered at full committee that provided the IRS with \$10 million above last year's levels for its international enforcement activities and targeting foreign subsidiaries. These funds should be used to set up an expert strike force, and to target those foreign-owned subsidiary cases where the American people can recover the largest amount of unpaid taxes.

Frankly, the IRS, the Treasury Department, and the Congress should know that the American people will demand that these taxes be paid and that there be every type of aggressive activity to be sure that the IRS is supported in doing their job to collect these taxes.

I know that the Ways and Means Committee is looking at several substantive changes to the Tax Code to address the foreign subsidiary problem. I commend the committee on having the foresight to look into this issue, and I would encourage timely action on the substantive tax issues.

For the present, the Internal Revenue Service should set up a strike force to aggressively pursue the unpaid taxes of these foreign subsidiaries. Our tax system depends upon citizens complying with U.S. tax laws and everyone paying his or her fair share of taxes. Foreign-owned subsidiaries that come to this country to take advantage of U.S. workers and infrastructure and markets and do not pay taxes should be vigorously prosecuted.

The American taxpayer deserves nothing less.

As Congress and the administration continue to deal with the issue, it is important to remember what happened during the Toshiba case. Special

interest lobbying should not be permitted to distort this issue.

Let me say that one more time. Special interest lobbying should not be permitted to distort the issues, and the companies involved should be dealt with fairly and justly on the merits of their compliance with the U.S. tax laws. They ought not be dealt with in a negative way because they are foreign-owned. As I said earlier, many foreign-owned companies are good for this country and are law abiding and very beneficial. No negative action or repercussion should be taken just because they have foreign parent companies. But all we are asking is that they be treated exactly the same as American businesses.

We should give the IRS the support it needs to collect any taxes owed to the Federal Government and I hope my colleagues will take a close look at this issue and consider how the Congress can offer that support.

#### A TRIBUTE TO RICHARD CYERT

The SPEAKER pro tempore (Mr. PAYNE of Virginia). Under a previous order of the House, the gentleman from Pennsylvania [Mr. COYNE] is recognized for 5 minutes.

Mr. COYNE. Mr. Speaker, one of the most distinguished individuals in my hometown of Pittsburgh, Richard Cyert, retired this summer as president of Carnegie Mellon University.

Frankly, my reaction when I first heard that he was going to retire was: it is hard to imagine Carnegie Mellon without Dick Cyert at the helm. He started as an instructor there in 1948, back in the days when it was known as the Carnegie Institute of Technology. His very impressive career has been based there ever since, and he has served as president for 18 years.

Carnegie Mellon University has grown and prospered under his leadership. Indeed, one of the most important reasons that it is a world-class academic institution is Dick Cyert.

Dick has a reputation not only as a successful university administrator, but also as a highly respected economist. He has written and edited many books and articles on economics, some of which have become internationally recognized as landmarks in their field.

Among his greatest contributions to economics have been in oligopoly theory. "My first paper," he once recalled, "tested the hypothesis that oligopolists followed price changes during the upswing but not during the downswing of a business cycle." His work in this area eventually led to one of the classics in economics, "A Behavioral Theory of the Firm," which Dick cowrote with James March in 1963.

An indication of Dick's accomplishments is the number of honors he has received over the years. They include the Hofstra Distinguished Scholar Award, the University of Minnesota's Outstanding Achievement Award, a Ford Foundation Resident Faculty Fellowship, and a Guggenheim Foundation Fellowship.

Dr. Cyert is also a citizen of Pittsburgh in the best and fullest sense. No one has done

more for the economic and intellectual life of our city than Dick Cyert.

Many of us remember the bad economic slump in Pittsburgh in the early 1980's. Dick was one of our local leaders who understood the gravity of our problems and helped devise the strategies we needed for economic renewal. He worked with others in private industry, the public sector, and the academic community to turn things around. Pittsburgh is now enjoying an economic renaissance, with a high-technology base that puts us in a strong position for the future. We are lucky to have had the vision and tenacity of Dick Cyert and his colleagues.

Many of us will miss our frequent meetings and conversations with Dr. Cyert—but after all, he has accomplished—he certainly deserves a full and happy retirement. I know that all Pittsburghers join me in paying tribute to Richard Cyert, thanking him for all he has done, and wishing him the very best.

#### 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. WOLF) to revise and extend his remarks and include extraneous material:)

Mr. GINGRICH, for 60 minutes today, September 10, 11, 12, 13, and 14.

(The following Members (at the request of Mr. ALEXANDER) to revise and extend their remarks and include extraneous material:)

Mr. NELSON of Florida, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. STARK, for 5 minutes, today.

Mr. HUCKABY, for 5 minutes, on September 7.

Mr. RICHARDSON, for 5 minutes, on September 11.

Mr. McMILLEN of Maryland, for 5 minutes, today.

(The following Member (at the request of Mr. DARDEN) to revise and extend his remarks and include extraneous material:)

Mr. COYNE, for 5 minutes today.

#### EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Member (at the request of Mr. WOLF) and to include extraneous matter:)

Mr. LEACH of Iowa.

(The following Member (at the request of Mr. ALEXANDER) and to include extraneous matter:)

Mr. ROE.

Mr. NELSON of Florida.

Mr. TORRES in two instances.

Mr. LANTOS.

#### ADJOURNMENT

Mr. WOLF. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 5 minutes a.m.) under its previous order, the House adjourned until Monday, September 10, 1990, 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:

3817. A letter from the Director, Office of Management and Budget, transmitting notification of the President's intent to exempt all military personnel accounts from sequester, if a sequester is necessary, pursuant to 2 U.S.C. 903; to the Committee on Appropriations.

3818. A letter from the Commission on Alternative Utilization of Military Facilities, transmitting the Commission's second report on alternative utilization of military facilities, pursuant to Public Law 100-456, section 2819(b)(4) (102 Stat. 2120); to the Committee on Armed Services.

3819. A letter from the Deputy Assistant Attorney General, Civil Rights Division, Department of Justice, transmitting the 1989 annual report regarding the Department's enforcement activities under the Equal Credit Opportunity Act, pursuant to 15 U.S.C. 1691f; to the Committee on Banking, Finance and Urban Affairs.

3820. A letter from the Secretary of Education, transmitting a copy of final regulations—chapter 1 State operated or supported programs for Handicapped Children Program, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

3821. A letter from the Assistant General Counsel, Department of Energy, transmitting notice of a meeting related to the International Energy Program to be held on Thursday, August 30, 1990, at the OECD, in Paris, France; to the Committee on Energy and Commerce.

3822. A letter from the Acting Assistant Secretary of State, transmitting the President's Memorandum of Justification that it is important to United States security interests to authorize certain arms sales to Saudi Arabia, pursuant to 22 U.S.C. 2364(a)(1); to the Committee on Foreign Affairs.

3823. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a copy of Presidential Determination 90-36 concerning emergency military sales to Saudi Arabia, pursuant to 22 U.S.C. 2364(a)(1); to the Committee on Foreign Affairs.

3824. A letter from the Deputy Associate Director for Collection and Disbursement, Department of the Interior, transmitting notice 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.

3825. A letter from the Deputy Associate Director for Collection and Disbursement, Department of the Interior, transmitting notice 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.

3826. A letter from the Deputy Associate Director for Collection and Disbursement,



Department of the Interior, transmitting notice 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.

3827. A letter from the Secretary, Department of Transportation, transmitting a report on options to prevent exotic species from entering U.S. waters in ships' ballast water, pursuant to Public Law 101-225, section 207(a) (103 Stat. 1913); to the Committee on Merchant Marine and Fisheries.

3828. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a draft of proposed legislation to extend the deadline by which foreign nations must meet the requirements of the Marine Mammal Protection Act, to limit the embargo of tuna and tuna products from embargoed nations, and for other purposes; to the Committee on Merchant Marine and Fisheries.

3829. A letter from the Secretary of Commerce, transmitting the annual report on the activities of the Economic Development Administration for fiscal year 1989, pursuant to 42 U.S.C. 3217; to the Committee on Public Works and Transportation.

3830. A letter from the Secretary of Defense, transmitting the report on Department of Defense procurement from small and other business firms for the period October 1989 through June 1990, fiscal year 1990, pursuant to 15 U.S.C. 639(d); to the Committee on Small Business.

3831. A letter from the Secretary of Veterans' Affairs, transmitting the biennial report of the Advisory Committee on Former Prisoners of War, pursuant to 38 U.S.C. 221(c); to the Committee on Veterans' Affairs.

#### 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. DINGELL: Committee on Energy and Commerce. H.R. 5267. A bill to amend the Communications Act of 1934 to provide increased consumer protection and to promote increased competition in the cable television and related markets, and for other purposes; with an amendment (Rept. 101-682). 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. GAYDOS:

H.R. 5554. A bill to direct the Administrator of the Small Business Administration to amend Federal regulations to provide eligibility for media and similar business concerns to participate in financial assistance programs administered by the Small Business Administration; to the Committee on Small Business.

By Mr. SLAUGHTER of Virginia:

H.R. 5555. A bill to expand the boundaries of the Fredericksburg and Spotsylvania County Battlefields Memorial National Military Park; to the Committee on Interior and Insular Affairs.

H.R. 5556. A bill to amend title 28, United States Code, to make changes in the composition of the eastern and western districts of Virginia; to the Committee on the Judiciary.

By Mr. STARK:

H.R. 5557. A bill to amend the Internal Revenue Code to disallow a deduction for interest paid or accrued on late paid taxes; to the Committee on Ways and Means.

By Mr. WEISS:

H.J. Res. 648. Joint resolution to designate the month of October 1990 as "National AIDS Awareness and Prevention Month"; to the Committee on Post Office and Civil Service.

By Mr. LEHMAN of Florida:

H. Con. Res. 365. Concurrent resolution providing for a joint session of Congress to receive a message from the President; considered and agreed to.

#### ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 173: Mr. VALENTINE, Mrs. BOXER, Mr. SHUMWAY, Mr. GUARINI, Mr. MAVROULES, and Mr. SLATTERY.

H.R. 661: Mr. COYNE.

H.R. 2608: Mr. SMITH of New Jersey.

H.R. 3355: Mr. DE LUGO and Mr. PENNY.

H.R. 3520: Mr. HAYES of Louisiana.

H.R. 3547: Mr. HOLLOWAY.

H.R. 3979: Mr. PAYNE of New Jersey, Mr. BROWN of California, and Mr. DWYER of New Jersey.

H.R. 4147: Mr. WEISS and Mr. DYSON.

H.R. 4250: Mr. DEFazio.

H.R. 4300: Mr. MCGRATH.

H.R. 4369: Mr. SPRATT, Mr. STALLINGS, Mr. GALLO, and Mr. SUNDQUIST.

H.R. 4492: Mr. GORDON and Mr. MCGRATH.

H.R. 4575: Mrs. BENTLEY.

H.R. 4652: Mr. KASTENMEIER, Mr. OLIN, Mr. RINALDO, and Mrs. SCHROEDER.

H.R. 4864: Mr. MOAKLEY, Mrs. MEYERS of Kansas, Mr. ROE, Mr. BORSKI, Mr. MARKEY, Mr. SMITH of Vermont, Mr. ECKART, Mr. BEREUTER, Mr. FOGLIETTA, Mr. CONTE, and Mr. CROCKETT.

H.R. 4865: Mrs. MEYERS of Kansas, Mr. ROE, Mr. BORSKI, Mr. MARKEY, Mrs. MORELLA, Mr. SMITH of Vermont, Mr. BEREUTER, Mr. FOGLIETTA, Mr. CONTE, and Mr. CROCKETT.

H.R. 5306: Mr. BONIOR, Mr. BOSCO, Mr. FOGLIETTA, Mrs. JOHNSON of Connecticut, Mr. JOHNSON of South Dakota, Mrs. KENNELLY, Mr. RAVENEL, Ms. SCHNEIDER, Mr. WELDON, and Mr. YATRON.

H.J. Res. 509: Mr. HERTEL, Mrs. KENNELLY, Mr. HUGHES, Mr. VOLKMER, Mr. VENTO, Mr. GUNDERSON, Mr. CHAPMAN, Mr. SYNAR, Mr. HALL of Texas, Mr. OXLEY, and Mr. KASICH.

H.J. Res. 525: Mr. GEREN, Mr. FAZIO, Mr. MILLER of California, Mr. HAYES of Illinois, Mr. BERMAN, Mr. GILMAN, Mr. POSHARD, Mr. INHOFE, Mr. ROSE, Mr. DENNY SMITH, Mr. HATCHER, Mr. SCHUMER, Mr. TRAFICANT, Mr. YATRON, and Mr. NEAL of North Carolina.

H.J. Res. 616: Mr. VANDER JAGT, Mr. VENTO, Mr. GILMAN, Mr. DORNAN of California, Mr. DOUGLAS, Mr. MATSUI, Mr. NOWAK, Mr. WHITTEN, Mr. BENNETT, Mr. SAWYER, Mr. MCCLOSKEY, Mrs. LLOYD, Mr. BROWDER, and Mr. HAMMERSCHMIDT.

H.J. Res. 632: Mr. RAHALL.

H. Con. Res. 329: Mr. GRANT.

H. Res. 312: Mr. WELDON, Mr. WOLF, Mr. SERRANO, Mr. KLECZKA, Mr. PASHAYAN, Mr. GEJDENSON, Mr. FRENZEL, and Mr. JONES of North Carolina.

H. Res. 411: Mr. RANGEL.

#### PETITIONS, ETC.

Under clause 1 of rule XXII,

225. The SPEAKER presented a petition of Board of Chosen Freeholders, Toms River, New Jersey, relative to the Reedy Creek area; which was referred to the Committee on Merchant Marine and Fisheries.