[2] Projection.

Sources: Asian Development Bank, Credit Lyonnais Securities, Heritage Foundation.

Yet in the competition for foreign investors, India is starting to make China share the limelight. Foreigners lapped up $4.6 billion of new Indian equity-linked paper last year but only $2.7 billion in new Chinese shares, according to the Bombay Stock Exchange and Credit Lyonnais Securities (Asia) Ltd.

India has also been attracting new interest from foreign companies. A Daewoo Co. joint venture in India plans to make 100,000 cars a year starting this year; the South Korean company has yet to win permission to make cars in China, though it is undertaking a major auto-part project there. Kellogg Co. recently started producing cornflakes north of Bombay; the U.S. breakfast-cereal company won't open a plant in China until the middle of this year. Levi Strauss & Co., working hand-in-hand with Indian subcontractors, will begin selling jeans in India within months; the San Francisco-based concern has been phasing out clothing purchases from subcontractors in China because of human-rights concerns.

U.S. ROAD TRIP

More corporate investments are coming. U.S. Commerce Secretary Ron Brown heads to India this week with 25 American chief executives who are expected to sign several billion dollars in deals; the trip comes five months after Mr. Brown undertook a similar mission to China. In a recent Ernst & Young survey of 230 multinational companies, 17% saw India as a ''priority country'' for future investment, ranking India second only to China.

China's lead in the foreign-investment sweepstakes remains enormous, however. Foreigners last year sank well in excess of $30 billion into operations in China, compared with less than $2 billion in India.

It's also far from clear that India can ever make up for China's 15-year head start. While three years of reforms may have revived India's economy, they haven't papered over its seething ethnic and class divisions, done away with its corrupt and inefficient bureaucracy, or rid its city streets of beggars.

But at least foreign investors are finally noticing India's assets, among them:

India has a huge middle class whose buying habits are well-chronicled, unlike in China, where dependable market statistics are rare. The Indian government-supported National Council of Applied Economic Research, for instance, periodically surveys samplings of as many as 500,000 Indians. The council's 1992–93 survey indicates that 550 million Indians lived in households where at least one member owned a wristwatch; that 33% of nail polish was bought by households with a monthly income of less than 18,000 rupees ($574); and that southern India accounted for 77% of the country's purchases of coffee.

India has skilled scientists and software engineers. Motorola, Texas Instruments Inc. and other foreign investors have turned Bangalore into one of the world's software-writing capitals. India abounds in qualified people because its universities emphasize computer science and because ''Indians naturally love intellectual puzzles,'' says Anand Khandekar, a retired Indian navy commodore who supervises 220 engineers at a Motorola software laboratory here. The Indian engineers are good, and they are affordable. A Texas Instruments official says a typical software engineer in Bangalore costs $400 a month in salary and benefits.

India has well-managed private companies. In China, the potential partners for foreign investors are mainly state-owned companies and the potential stock plays are all recent listings. The 120-year-old Bombay Stock Exchange, on the other hand, in 1994 had almost 4,450 listed companies, more than any other exchange in Asia. The people who run many of these companies have far more in common with many global executives than do their Chinese counterparts. In everything from their attitude toward profitability to their understanding of how a contract dispute should be solved, they are far easier to work with, many foreign firms find.

India's Western-style legal system was one of the things that attracted U S West Inc. to India, says Boli Medappa, who's in charge of developing the telephone company's business in the country. U S West, a Baby Bell that operates telephone systems in 14 U.S. states, spent five months in 1990 researching business opportunities in 11 Asian countries. In the end India ranked first on its list, Ms. Medappa says. China ranked 11th.

The ranking was done mainly on criteria such as political stability and market access, but Ms. Medappa also gives India the nod on less tangible factors, such as the widespread use of English, a long-functioning democratic government, an Anglo-Saxon legal system and a sense of shared values with the West.

India also gets a boost from the enthusiastic cheerleading of ''nonresident Indians'' like Ms. Medappa, a green-card holder who has lived in the U.S. since 1978 and worked for U S West for eight years. Unlike overseas Chinese entrepreneurs, who invest their own money in China, many nonresident Indians advocate investment in India by the multinational companies that employ them.

IT'S WHO YOU KNOW

''For every foreign company I've seen come to India, the guy who was actually making that effort happen was an ethnic Indian,'' says Naina Lal Kidawai, Morgan Stanley & Co.'s chief of corporate finance in Bombay.

Another attribute of India is simply being the world's second-biggest potential market, after China. That's especially alluring as a spate of loan-payment problems and contract disputes reminds foreign investors of the difficulties of doing business in the Middle Kingdom.

But investors are hardly deserting China in droves. And experienced foreign investors know India also can pose frustrations. For example, U S West and other foreign phone companies have camped out in New Delhi hotels for months awaiting a government auction of operating-rights contracts that keeps being promised.

And while India has slashed tariffs and tackled its government budget deficit, it has balked at more painful measures, such as privatizing government enterprises, allowing imports of many foreign consumer goods or making it easier for companies to lay off workers.

Finance Minister Singh insists the government's program is on schedule, but adds it cannot get too far ahead of public opinion. Mr. Singh makes no apologies for this; one of the advantages of a democracy, he says, is that public opinion helps check misguided policies. That mechanism is absent in China, he points out.

If democracy keeps India from developing as fast as China, some analysts say it also gives India a stability that transcends its occasional outbursts of communal violence. ''Think of India as a wide, shallow-bottomed boat,'' says Jonathan Bensky, commercial counselor at the U.S. Embassy in New Delhi. ''It's easy to rock but very difficult to tip over.''

COLONIA PLUMBING LOAN PROGRAM

HON. RONALD D. COLEMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 18, 1995

Mr. COLEMAN. Mr. Speaker, today I introduced two measures which will address a problem which has been forgotten and ignored for far too long. The lack of drinking water and wastewater treatment facilities in the Southwestern United States, in communities known as colonias, has caused environmental degradation and has had a detrimental impact on public health. Colonias are communities in the southwestern region of the United States along the United States-Mexico border which are generally unincorporated and characterized by a lack of running water, sewage treatment facilities, and safe, sanitary housing.

Rather than go into an extensive history of the causes of the problem, I would just say to my colleagues that the residents of these communities thought that in buying a piece of land upon which they could build a home they were earning a piece of the American dream. Sadly, the dream has yet to come true for these hard working Americans and their children. I have been fighting for many years, on many levels, to address this problem. Today, I have introduced a measure specifically addressing the lack of sewage treatment facilities for the region and a measure to increase the State's flexibility in administering a current program. These measures are small steps to correcting a problem which has existed for more than 30 years.

Unfortunately, when we talk of the citizens along the border with Mexico there are those among us who would distort the facts. As my colleagues review this legislation, I hope they will bear in mind that: first, the colonias are communities located wholly in the United States; second, the residents of colonias are American citizens and legal permanent residents; and third, the residents are not squatters. They purchased the land, for which they have legal deeds, from unscrupulous developers who promised them everything and delivered nothing. I hope my colleagues will avail themselves to addressing the needs of Americans, irrespective of where they live, and not bow to the misinformed arguments of those who are not from the border and cannot know the needs and concerns of the region. I am asking for fairness for American children who live in conditions similar to those of developing countries.

Today, there are more than 350,000 Americans, many of them children, who live in colonias without any access to such basic services as indoor plumbing or safe sewage disposal. In my district alone there are nearly 48,000 people who live under these appalling conditions every day. Let me try to describe to my colleagues what life is like for these hard working Americans.

In the State of Texas, there are nearly 300,000 people living in approximately 1200 colonias. The majority of these communities do not have paved roads. Forty percent of these communities, or roughly 112,000 people, do not have access to public water, a precious and expensive commodity in the desert. Instead these people are forced to rely on water from wells or water which is transported

from outside the community. Most of the wells are dug by hand and are no more than 15 feet deep. In my district the water table is only 7 feet deep in sandy soil, which make the water brackish and not suitable for drinking even under the best of circumstances. Only when we consider that many residents have equally crudely dug outhouse located less than 50 feet from these wells, can we begin to appreciate how truly unfit for drinking this water is. Those who must have their water brought in must find places to store it. Sadly, the storage container is all too often an old chemical barrel, frequently with the skull and crossbones still visible. As if storing water in contaminated containers were not bad enough, storing the water causes the chlorine, which is what keeps our drinking water safe, to dissipate. I ask my colleagues, Mr. Speaker, to try to imagine living every day of their lives having to constantly plan how much water would be required for every meal, every bath, every laundry day, and every time they washed their dishes by hand. I think my colleagues will agree this would be very burdensome indeed.

It should be no surprise to my colleagues that this situation is also having very serious health consequences. The lack of public services means that the residents in these communities are, in effect, drinking, washing dishes and bathing in their own refuse. The incidence of hepatitis in the border region is two to three times higher than the national average, and in my district the hepatitis rate is five times the national average. Let me put that into perspective for my colleagues. Several years ago, one of the school districts in El Paso County tested the students for hepatitis. The results, Mr. Speaker, were shocking. By the age of 8 approximately 35 percent of the children had been infected with hepatitis A, and by the age of 35, up to 90 percent of colonia residents had been infected.

Unfortunately, hepatitis is not the only disease which threatens the residents of the colonias. Perhaps the most disturbing, and the most widely publicized, consequence of the environmental problems associated with the lack of proper sewage and drinking water is the alarmingly high number of anencephalic, or brainless babies which have been born in the region. Less dramatic but no less dangerous are two gastrointestinal infestations, amebiasis which is caused by a parasite, and shigellosis which is caused by bacteria. Both are endemic to the region and have rates of two to three times the national average. In addition, 15 percent of families in colonias report that at least one family member suffers from diarrhea every week. Finally, Mr. Speaker, cholera, which is virtually unknown in the United States, continues to threaten border communities. Last year, cholera bacteria were found in the drinking water in Ciudad Juarez, El Paso's sister city. We all know that disease knows no international boundary, nor does it respect any internal divisions within this country. It is imperative that we take steps to eliminate the health hazards faced by the residents of the colonias.

In the past, it has been difficult to secure funding for the EPA to provide grants to colonias. In fiscal year 1990, I was able to obtain $15 million to establish a special revolving fund to make loans to Texas counties along the United States-Mexico border. Due to the high level of poverty in this area, the counties have not been able to adequately access these funds. These funds were used to create the Colonia Plumbing Loan Program. The intention of this program was to fill a gap in State and Federal funding. While some moneys have been provided for wastewater treatment, little funding has been provided to equip these homes with the necessary plumbing to utilize these services. As anyone who has been involved with the building or remodeling of a home knows, the modifications which must be made to a home in order to access water distribution and wastewater systems are costly.

My legislation would convert this program from a loan program to a grant program. As with other grants to the colonias, the State of Texas will match the Federal contribution, thus allowing us to maximize the allocation of these funds. Mr. Speaker, this bill provides us the opportunity to take an existing program that while well intended, did not meet the needs of its constituents and tailor the program to meet those needs.

Mr. Speaker, my second bill addresses the question of authorization in regard to grants for wastewater systems. After long and needless battles, this House has provided funding to the State of Texas to make grants to the colonias for wastewater treatment. These funds have been matched dollar for dollar by the State. Despite the fact that there are currently four statutes in force which authorize such expenditures, it is my understanding that an additional, agency-specific authorization, is necessary in order to secure funding for these hard-working Americans. Mr. Speaker, this legislation provides an additional authorization.

Mr. Speaker, several times a year this Congress is asked to assist victims of natural disasters. The residents of my district are only happy to do so. Now, however, they are asking for your help to address a situation no less devastating than that experienced by the victims of flood, fire, or hurricane. Victims of natural disasters must ensure conditions similar to that of the colonias for a short time. The residents of the colonias have been enduring their hardships for more than 30 years. The time has come to finally address the needs of poor Americans who live along the international border between the United States and Mexico.

Every American citizen is entitled to a certain basic standard of living, and we as a national should own up to our responsibility to take care of those who are least able to take care of themselves.

TRIBUTE TO RICHARD WITTENBERG

HON. ELTON GALLEGLY

OF CALIFORNIA

HON. ANTHONY C. BEILENSON

OF CALIFORNIA

HON. HOWARD L. BERMAN

OF CALIFORNIA

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 18, 1995

Mr. GALLEGLY. Mr. Speaker, we are honored to pay tribute today to a talented and tireless public servant who has fought for the people of Ventura County for nearly three decades—the past 16 years as the county's chief administrative officer.

Richard Wittenberg has clearly left his mark on Ventura County and, in a broader sense, southern California. As the principal advisor to the Ventura County Board of Supervisors and the person charged with carrying out the board's decisions, he has helped see the county through the good and the bad, the rich years and the lean ones.

Through Richard's tenure, and thanks in no small part to his management style, Ventura County has served as a model for other municipalities around the State and Nation. His thoughtful leadership, his professionalism, and the fact that he truly cared about the fate of his 750,000 employers made Richard one of the most effective administrators to manage this or any county.

In addition to his numerous professional accomplishments, Richard and his wife Joyce have raised three very successful children and have played an active role in the social, cultural, and philanthropic fabric of the county and surrounding areas.

Mr. Speaker, we ask our colleagues to join us today in saluting Richard Wittenberg, who is leaving Ventura County to become chief administrative officer for Santa Clara County. We are sorry to see him go, but thank him for the very positive impact he ha made in Ventura County and southern California. We wish him all the best in his new position.

THE COMMON SENSE LEGAL REFORM ACT

HON. BRIAN P. BILBRAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 18, 1995

Mr. BILBRAY. Mr. Speaker, this week the Commerce Committee begins hearings on extremely important legal reform.

The Common Sense Legal Reform Act (H.R. 10) will restore commonsense to Federal securities laws by limiting strike lawsuits—suits filed by class action attorneys on behalf of shareholders whose stock investments have failed to live up to their expectations. Currently, a sharp drop or increase in a company's stock price can trigger a lawsuit, even if movement was caused by normal market events.

Mr. Speaker, high-tech, bio-tech and other growth companies are the job creators in our economy. American businesses like these, struggling to remain competitive in a global marketplace, fear these abusive strike lawsuits for good reason: Because these companies stock prices are the most volatile, and they can least afford the endless litigation resulting in huge legal fees, they are the targets of these frivolous lawsuits.

These lawsuits effect businesses' competitiveness on several levels. To settle these speculative suits, companies may be forced to layoff employees or simply never hire them at all. Worst of all, U.S. competitiveness on an international scale is shackled with a tax on innovation. Why? Because strike suits hit the most innovative, entrepreneurial firms in America.

Finally, Mr. Speaker, the small independent investor is the one who stand to gain the most