

highly skilled labor and the returns on physical capital but has put downward pressure on the wages of low-skilled labor. The result has been a sharp widening in the differential between the wages of highly skilled and low-skilled labor in the United States and other advanced countries.

If the widening of the wage differential is allowed to proceed unchecked, it threatens to create within our own country a social problem of major proportions. We shall not be willing to see a group of our population move into Third World conditions at the same time that another group of our population becomes increasingly well off. Such stratification is a recipe for social disaster. The pressure to avoid it by protectionist and other similar measures will be irresistible.

(4) EDUCATION

So far, our educational system has been adding to the tendency to stratification. Yet it is the only major force in sight capable of offsetting that tendency. Innate intelligence undoubtedly plays a major role in determining the opportunities open to individuals. Yet it is by no means the only human quality that is important, as numerous examples demonstrate. Unfortunately, our current educational system does little to enable either low-IQ or high-IQ individuals to make the most of other qualities. Yet that is the way to offset the tendencies to stratification. A greatly improved educational system can do more than anything else to limit the harm to our social stability from a permanent and large underclass.

There is enormous room for improvement in our educational system. Hardly any activity in the United States is technically more backward. We essentially teach children in the same way that we did 200 years ago: one teacher in front of a bunch of kids in a closed room. The availability of computers has changed the situation, but not fundamentally. Computers are being added to public schools, but they are typically not being used in an imaginative and innovative way.

I believe that the only way to make a major improvement in our educational system is through privatization to the point at which a substantial fraction of all educational services are rendered to individuals by private enterprises. Nothing else will destroy or even greatly weaken the power of the current educational establishment—a necessary precondition for radical improvement in our educational system. And nothing else will provide the public schools with the competition that will force them to improve in order to hold their clientele.

No one can predict in advance the direction that a truly free-market educational system would take. We know from the experience of every other industry how imaginative competitive free enterprise can be, what new products and services can be introduced, how driven it is to satisfy the customers—that is what we need in education. We know how the telephone industry has been revolutionized by opening it to competition; how fax has begun to undermine the postal monopoly in first-class mail; how UPS, Federal Express and many other private enterprises have transformed package and message delivery and, on the strictly private level, how competition from Japan has transformed the domestic automobile industry.

The private schools that 10 percent of children now attend consist of a few elite schools serving at high cost a tiny fraction of the population, and many mostly parochial non-profit schools able to compete with government schools by charging low fees made possible by the dedicated services of many of the teachers and subsidies from the sponsoring institutions. These private schools do provide a superior education for a small fraction of the children, but they are not in a po-

sition to make innovative changes. For that, we need a much larger and more vigorous private enterprise system.

The problem is how to get from here to there. Vouchers are not an end in themselves; they are a means to make a transition from a government to a market system. The deterioration of our school system and the stratification arising out of the new industrial revolution have made privatization of education far more urgent and important than it was 40 years ago.

Vouchers can promote rapid privatization only if they create a large demand for private schools to constitute a real incentive for entrepreneurs to enter the industry. That requires first that the voucher be universal, available to all who are now entitled to send their children to government schools, and second that the voucher, though less than the government now spends per pupil on education, be large enough to cover the costs of a private profit-making school offering a high-quality education. If that is achieved there will in addition be a substantial number of families that will be willing and able to supplement the voucher in order to get an even higher quality of education. As in all cases, the innovations in the "luxury" product will soon spread to the basic product.

For this image to be realized, it is essential that no conditions be attached to the acceptance of vouchers that interfere with the freedom of private enterprisers to experiment, to explore and to innovate. If this image is realized, everybody, except a small group of vested interests, will win; parents, students, dedicated teachers, taxpayers—for whom the cost of the educational system will decline—and especially the residents of central cities, who will have a real alternative to the wretched schools so many of their children are now forced to attend.

The business community has a major interest in expanding the pool of well-schooled potential employees and in maintaining a free society with open trade and expanding markets around the world. Both objectives would be promoted by the right kind of voucher system.

Finally, as in every other area in which there has been extensive privatization, the privatization of schooling would produce a new, highly active and profitable private industry that would provide a real opportunity for many talented people who are currently deterred from entering the teaching profession by the dreadful state of so many of our schools.

This is not a federal issue. Schooling is and should remain primarily a local responsibility. Support for free choice of schools has been growing rapidly and cannot be held back indefinitely by the vested interests of the unions and educational bureaucracy. I sense that we are on the verge of a breakthrough in one state or another, which will then sweep like a wildfire through the rest of the country as it demonstrates its effectiveness.

To get a majority of the public to support a general and substantial voucher, we must structure the proposal so that (1) it is simple and straightforward so as to be comprehensible to the voter, and (2) guarantees that the proposal will not add to the tax burden in any way but will rather reduce net government spending on education. A group of us in California has produced a tentative proposition that meets these conditions. The prospects for getting sufficient backing to have a real chance of passing such a proposition in 1996 are bright.

LEGISLATION TO AUTHORIZE CONGRESSIONAL MEDAL OF HONOR POSTHUMOUSLY TO BREVET BRIG. GEN. STRONG VINCENT

HON. PHIL ENGLISH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 28, 1995

Mr. ENGLISH of Pennsylvania. Mr. Speaker, today I am introducing legislation to authorize the Congressional Medal of Honor be given posthumously to Brevet Brig. Gen. Strong Vincent for his actions in the defense of Little Round Top at the Battle of Gettysburg.

General Vincent's heroic leadership was responsible for the speedy placement of his brigade and tenacious defense against overwhelming odds. General Vincent directed the men defending Little Round Top to "hold against all hazards."

Without the leadership of Gen. Strong Vincent the Confederate Army would have taken Little Round Top, enabling them to place their artillery at the top of the hill and attack the flank of the Union Army. If Little Round Top would have fallen, the Battle of Gettysburg would have had a different ending.

Gen. Strong Vincent was mortally wounded while rallying the 16th Michigan Regiment to reorganize and hold their ground. General Vincent acted above and beyond the call of duty and saved the day for the Union Army at the Battle of Gettysburg.

For these important reasons, I am pleased to offer this bill to the House.

PERSONAL RESPONSIBILITY ACT OF 1995

SPEECH OF

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1995

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending and reduce welfare dependence:

Ms. PELOSI. Mr. Chairman, I rise today to remind my colleagues of the most critical aspect of this welfare reform debate—the effect this legislation will have on poor children in our Nation.

Child poverty is an enormous drain on the Nation's economy. Every year of child poverty will end up costing billions of dollars in lower future productivity, special education, crime, foster care, and teenage pregnancy.

We must create long-term solutions for this shameful problem of child poverty in our country. Yet this Republican welfare reform bill seeks to solve this problem by punishing our Nation's children simply for this misfortune of being born to a family without means or resources.

This bill punishes children born out of wedlock, born to an unmarried teenage mother, born to a welfare family, or born without established paternity.

Poor young children in working families are victims of this bill. Twenty six percent of children under 6 years old live in poverty, nearly