

USTR's expectations of what would result. Full compliance with these terms, as defined in Ambassador Kantor's letter, is essential if the agreement is to achieve its objectives.

Because faithful implementation of this accord is so important, Senator BOXER, the ranking member on the subcommittee, and I recently sent to Ambassador Kantor a letter requesting a detailed and comprehensive report to the committee this month on all actions taken to date by the Government of Japan to implement its obligations under the insurance agreement. It is my hope that the Senate's interest will serve as a constructive influence to help ensure that this important agreement, and other agreements, stay on track and live up to their full potential.

Mr. President, I ask that our letter to Ambassador Kantor, as well as Ambassador Kantor's letter to the U.S. insurance industry of October 11, 1994, be printed in the RECORD.

The letters follow:

U.S. SENATE, COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,

Washington, DC, November 8, 1995.

Hon. MICHAEL KANTOR,
U.S. Trade Representative,
Washington, DC.

DEAR MR. AMBASSADOR: We are writing to share with you our commitment to ensuring full and effective implementation of trade agreements between the United States and Japan. You have often stated it is not enough simply to reach agreements with our trading partners, but that we must also be vigilant in guaranteeing that the rights gained under those agreements are fully realized. We could not agree more strongly.

As part of our Subcommittee's ongoing oversight responsibilities in this regard, we would like to request a detailed report on the results of actions taken to date to implement the commitments defined in the U.S.-Japan Insurance Agreement and in your October 11, 1994 letter to the U.S. insurance industry concerning certain key aspects of the Agreement.

We are concerned about reports that, as the implementation date for the new Japanese Insurance Business Law approaches, developments in Japan may pose serious threats to U.S. insurance interests. For example, plans by large Japanese insurers to enter the "third sector" through newly created subsidiaries, pose both a major commercial threat to U.S. insurers and a probable violation of the insurance agreement. The Subcommittee is particularly concerned about the inadequacy of actions taken to date by the Ministry of Finance to ensure compliance with those provisions related to this activity.

Accordingly, we request you provide a report to the Subcommittee on these and other actions taken to date by the Government of Japan to implement obligations under the agreement, as well as the results of those actions. Please also describe additional actions USTR will take to ensure ongoing implementation of the agreement's other provisions.

We would appreciate receiving your report within the next two weeks so we may proceed with our review. The Subcommittee is considering a future hearing to review the results of various U.S.-Japan trade agreements; your report on the insurance agreement will help us prepare for any such meeting.

We appreciate your efforts on behalf of U.S. insurers, and look forward to your report.

Sincerely,

BARBARA BOXER
CHRISTOPHER S. BOND

THE UNITED STATES TRADE REPRESENTATIVE, EXECUTIVE OFFICE
OF THE PRESIDENT,

Washington, DC, October 11, 1994.

Mr. H. EDWARD HANWAY,
Chairman, International Insurance Council,
Washington, DC.

DEAR MR. HANWAY: I am writing to express my sincere appreciation for the industry's support during our negotiations with the Government of Japan on insurance. I am pleased to confirm that we have achieved agreement with the Government of Japan, through which Japan and the United States will undertake "Measures by the Government of the United States and the Government of Japan Regarding Insurance". The goal of the Agreement is to achieve significant improvement in market access in Japan for competitive foreign insurance providers and intermediaries.

With respect to the third sector issue, the Agreement states that:

"With regard to mutual entry¹ of life and non-life insurance companies into the third sector, the MOF intends not to allow such liberalization to be implemented as long as a substantial portion of the life and non-life areas is not deregulated, taking into account the fact that dependency of some medium to small and foreign insurance providers on the third sector is high, and that these medium to small and foreign insurance providers have made the efforts to serve the specific needs of consumers in the third sector. Furthermore, with respect to new or expanded introduction of products in the third sector, it is appropriate to avoid any radical change in the business environment, recognizing that such change should depend on medium to small and foreign insurance providers first having sufficient opportunities (i.e. a reasonable period) to compete on equal terms in major product categories in the life and non-life sectors through the flexibility to differentiate, on the basis of the risk insured, the rates, forms, and distribution of products."

Based on a confirmation made during the negotiations with the Government of Japan, I would like to affirm the following:

(1) with respect to existing large Japanese life and non-life companies, "avoid any radical change" means, among other things, that the Ministry of Finance (MOF) will maintain existing administrative practices concerning the third sector and not allow such companies to expand their third sector presence;

(2) with respect to subsidiaries that existing large Japanese life and non-life companies might form after the new insurance law takes effect, "avoid any radical change" means, among other things, that such subsidiaries will be treated the same as existing large life and non-life Japanese companies and accordingly will not be allowed to surge into the third sector;

(3) "major product categories" includes automobile insurance; and

(4) "a reasonable period" means three years.

With regard to rate and from liberalization, in addition to the specific commit-

¹ "Mutual entry" means the ability of life insurance companies to introduce existing, new or modified rates, products, or riders in the third sector currently allowed to non-life insurance companies, and the ability of non-life insurance companies to introduce existing, new or modified rates, products, or riders in the third sector currently allowed to life insurance companies.

ments made in the Agreement, I would like to affirm that:

(1) with respect to the threshold for application of the special discount rate applicable to the large commercial risks of fire insurance, the discount will be reduced from 2 to 1.5 billion yen for factory fire insurance and from 1.5 to 1 billion yen for general fire insurance; and the threshold for storage (warehouse) insurance will be unchanged; and

(2) with respect to the minimum insured amount of the large commercial fire insurance policies to which the deductibles rider can be attached, the minimum insured amount will be decreased from 5 billion yen to 1.5 billion yen.

The Agreement creates binding obligations on the Government of Japan enforceable under U.S. trade laws, such as Section 301 of the Trade Act of 1974, as amended. The Agreement provides for follow-up consultations between the Government of Japan and the United States Government. We expect to hold such consultations twice a year during the first three years upon signing of the Agreement, and annually thereafter. With U.S. insurance industry's assistance, we expect to monitor closely developments in the third sector to ensure that the Government of Japan is in compliance with the Agreement.

We very much appreciate the International Insurance Council's support and assistance during our negotiating efforts and look forward to working with the Council to ensure effective implementation of the Agreement.

Sincerely,

MICHAEL KANTOR.

TREASURY-POSTAL APPROPRIATIONS

—Continued—>?@ABCDEFGHIJKLMNQPQRSTUVWXYZI—

• Mr. LIEBERMAN. Mr. President, yesterday I voted for the Treasury-Postal appropriations conference report because I believe we must send along appropriations bills to the President since we are now nearly 2 months into the current fiscal year and the Government is shutdown. However, I would like to make it clear that I do not support, and have not supported in the past, the so-called Hyde language in this bill which would prohibit any Federal funding for abortion except in the case of rape, incest, or preserving the life of the mother. I have long felt that if abortions are allowed under our laws, then I can't find justification for limiting the option of Federal employees to obtain health plans that allow such coverage, as most private sector employees have. For this reason, while I voted for this bill given our Government's current dire economic status, I want to make it clear that I am opposed to the Hyde language which appears in this bill and hope there will be an opportunity later to reconsider it. •

GOVERNOR SAYS HE'S WORRIED STATE MAY BE TOO DEPENDENT ON GAMBLING

• Mr. LUGAR. Mr. President, I ask that the following article be printed in the RECORD.

The article follows:

[From the Associated Press, Sept. 12, 1995]
GOVERNOR SAYS HE'S WORRIED STATE MAY BE
TOO DEPENDENT ON GAMBLING

SIoux CITY, IA.—South Dakota Gov. Bill Janklow said he is worried his state might be getting hooked on gambling revenue.

Janklow said South Dakota has been saturated with gambling. State government is heavily dependent on gambling revenue, with video lottery proceeds accounting for between 15 percent and 17 percent of the general fund budget, Janklow said.

If the economy slows down and people have to limit spending, gambling will be one of the first expenses people cut out, Janklow said. The resulting drop in state revenue would "hit us right between the eyes," Janklow said.

Gambling revenue should have been treated as "one-time money" and not intended to continue each year, Janklow told a meeting of the Sioux City Downtown Rotary club Monday.

But changing the state's reliance on gambling revenue will be difficult, Janklow said. Tax revenues in South Dakota grew at three times the rate of inflation in the nine years before he took office for a third time this year, Janklow said.

If taxes grow at about the same rate as income, people grumble, but do not revolt, Janklow said.

"That's what we had (last year), a revolt," Janklow said.

Voters defeated a ballot measure that would have slashed property taxes by one-third. A property tax cut plan proposed by Janklow and passed by the Legislature promises homeowners and farmers a 20-percent tax cut.

South Dakota's economy will have to grow to offset money lost to the property tax cut, Janklow said.

A few state lawmakers have said a state income tax is the best way to ease South Dakota's financial straits. Janklow said the state's voters will never agree to that.

"Working people are always going to vote no (on an income tax) because they know the government is not going to be honest," Janklow said.●

FURLOUGH OF WORKERS

● Mr. LEVIN. Mr. President, I have decided on a day-to-day basis that my staff will report for work during the partial shutdown of the Federal Government. I have reached this decision for two reasons.

First, the Republican leadership has indicated that Federal workers who are furloughed will be paid retroactively even though they did not work. Since they will be paid, I believe that members of my staff here in Washington and in my offices in Michigan should work for that pay. I ask that a letter to Representative CONSTANCE MORELLA of Maryland from Speaker of the House NEWT GINGRICH and the Senate majority leader be printed in the RECORD at the conclusion of my statement.

Second, during this period of crisis, it is perhaps even more important for my constituents to be able to contact me to express their views, and to seek information and assistance. Many are experiencing difficulties obtaining normal services from the Government because many offices are closed or not at full strength.

The letter follows:

CONGRESS OF THE UNITED STATES,
Washington, DC, November 10, 1995.

Hon. CONSTANCE MORELLA,
106 Cannon House Office Building,
Washington, DC.

DEAR CONNIE: We will be sending soon to President Clinton a bill to continue funding for the federal government through December 1, 1995. Besides providing for government services, this bill also funds federal workers' salaries.

If the President decides to veto this vital legislation to keep government operating, the possibility exists that some federal workers may be furloughed. In the event that this takes place, it is our commitment that federal employees will not be punished as a direct result of the President's decision to veto funding for their salaries. Should this happen, we are committed to restoring any lost wages in a subsequent funding bill.

Again, we want to reassure you that if the President vetoes the continuing resolution and requires federal workers to be furloughed, we are committed to restoring any lost wages retroactively.

Sincerely,

NEWT GINGRICH,
Speaker of the
House.
BOB DOLE,
Senate
Leader.● Majority

YOUTH VOLUNTEERS—1995

● Mr. BOND. Mr. President, I rise today to pay a special tribute to the 1995 Youth Volunteers at the Harry S. Truman Memorial Veterans' Hospital. I am very pleased to recognize the 41 youth volunteers for their superior service and their fine example of the true spirit of voluntarism.

This past summer, the 1995 Youth Volunteers contributed over 5,700 hours to the hospitalized veterans and staff at the Harry S. Truman Memorial Veterans' Hospital in Columbia, MO. Their hard work and untiring commitment provided valuable assistance to the members of the medical community and demonstrated selfless dedication to those in need.

The Veterans Affairs Voluntary Service commended the 1995 Volunteer Youth at a ceremony on September 23, 1995. It is my great pleasure to congratulate the 1995 Youth Volunteers for their significant accomplishments.

I ask that the names of the volunteers be printed in the RECORD.

YOUTH VOLUNTEERS—1995

The list follows: Gretchen Adibe, Neha Aggarwal, Schann Bryan, Shannon Bryan, Amanda Cochran, Katie Deal, Brian Dube, Sarina Finklestin, Brea Foster, Tiffany Foster, Marsha Grieshaber, John Griffith, Abe Haim, Clint Hake, Amy Hanley, Jeff Heidenreich, Jamie Huggins, Maryke Kelly, Jesse Langley, Laura Loftus, Katie Marienfeld, Gina McGuire, Katie Mitchell, David Mueller, Dennis Payne, Jessica Pike, Chrissy Rahmoeller, Michael Rahmoeller, Justin Redmond, Laura Sanders, Samantha Scheard, Sarita Scheard, Cynthia Singleton, Melissa Smarr, David Staats, Shanta Subramanian, Neda Taj, Laweda Turner, Marlisa Turner, Carley Utterback, Matt Webster.●

HEROISM OF SHARON MANN AND THOMAS PREZKOP

● Mr. KERRY. Mr. President, today I call to the attention of my colleagues two people who have made a difference and saved someone's life. Everyday in communities across America men and women come face to face with life-threatening situations. In most cases, and usually without fanfare or widespread recognition, people make the quick decisions and take the actions that make a difference and save lives. This is the story of two of those people.

On July 14 of this year, Sharon Mann and Thomas Prezkop of Andover, MA were enjoying a Friday night cruise aboard the *Desperado* in Gloucester Harbor when they noticed something out of the ordinary. They heard the sound of an engine racing out of control and in the darkness turned to investigate. From a distance they saw the lights of a small vessel circling and knew that something was wrong. Upon approaching the location they heard a man's cries for help. Closing in on the man's voice, they found Kevin Govoni in the cold water, threw him a life preserver and then pulled him aboard their vessel. Mr. Govoni was in bad shape. The circling vessel had hit him and the propeller had badly slashed his legs. Compounding Mr. Govoni's serious injuries, he was suffering from hypothermia from being immersed in the 50-degree water. Working as a team, Ms. Mann tended to Mr. Govoni by removing his soaked shirt, covering him, and applying first aid to stop the severe bleeding while Mr. Prezkop headed the *Desperado* toward the nearest Coast Guard station and called ahead to have an ambulance waiting.

Upon their arrival at Coast Guard Station Gloucester, Mr. Govoni was transferred by ambulance to a local hospital. In hindsight, it becomes clear that with no other vessels in the vicinity, if Ms. Mann and Mr. Prezkop had simply decided not to get involved, a life could have been lost. However, due to their quick action and excellent judgment, a life has been saved and Mr. Govoni is recovering from his injuries.

Thomas Prezkop and Sharon Mann are real heroes—like heroes who appear every day in this country. They are the ones whom we should be recognizing and admiring before so-called stars and celebrities. I recognize and salute the actions of Mr. Prezkop and Ms. Mann and I am glad to see that the service that specializes in such rescue, the U.S. Coast Guard, also recognizes a job well done. This Monday, November 30, 1995, the Coast Guard will award Mr. Prezkop and Ms. Mann the Public Service Commendation for demonstrating courage and initiative in saving lives, qualities in keeping with the highest traditions of the Coast Guard. These awards are well deserved. On behalf of the people of Massachusetts, I wish to acknowledge our debt to them and express profound appreciation for their unselfish actions.●