buy him in international acceptance of his tightening at home. Others must be careful not to let him conclude he has no further need to allow space for independent local actors and foreign organizations like the Soros Foundation. This is space for civility and tolerance, values the former Yugoslavia desperately needs.

POLITICS VERSUS GROWTH?

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 19, 1996

Mr. GINGRICH. Mr. Speaker, I commend to my colleagues the attached article from Investor's Business Daily. With economic growth of only 1.4 percent last year, the possibility of a recession still casting a shadow and the middle-class being squeezed on all sides, the situation cries out for serious action. Unfortunately, the President vetoed the Balanced Budget Act of 1995 and so far has offered nothing to address the issue of economic growth.

As the Daily points out, there is room for agreement on a capital gains tax. The President has long supported a targeted one. According to one study, such a cut would have created 1.4 million new jobs between 1995 and 1999, added an additional 1 percent a year to the stock market and brought in $9–$18 billion in Federal revenue. We must be prepared to respond to the under performance of the economy. Let us hope the President is ready to work out an agreement. I submit the full article into the RECORD.

[From the Investor's Business Daily]

POLITICS VS. GROWTH?

The economy grew just 1.4% after inflation last year, and recession is possible this year. Congress and President Clinton should skip the political games and move now to turn things around.

Speaking in Michigan on Monday, Clinton gave us his ''growth agenda.'' Yet that's just a new, transparent label on his old wish list: a minimum wage hike, a tax deduction for college costs, government vouchers for worker retraining, and the Kennedy-Kassebaum health-insurance reform.

Half his points—the health bill and the wage hike—plainly have nothing to do with growth. At best, they'd be good for those who have jobs.

Education and training do boost growth in the long term. Yet Clinton has yet to show how more government sponsorship of these goals will help achieve them. It hasn't worked that way in recent decades.

Don't look to other Democrats, either. House Minority Leader Richard Gephardt recently claimed we ''don't know'' how to boost growth. His best guess is that favorite of Labor Secretary Robert Reich: tax penalties on corporations that downsize.

In fact, Clinton certainly knows what the economy needs, and Gephardt probably does: Tax cuts, the pro-growth move that worked for Presidents Kennedy and Reagan alike.

House Speaker Newt Gingrich is ready to play ball. ''All the warning signals are there'' for recession, he told reporters last week. ''I think if the President really wants to help us to avoid a significant recession . . . we should have a pretty substantial (budget) package in the next week or two.''

Gingrich could have added. ''If the President really wants to get re-elected.'' Clinton is riding high in the polls now, but presidents who don't deliver solid growth rarely win a second term.

To Gingrich's credit, he has put jobs above politics. If a Republican Congress and a Democratic president can agree to cut taxes, Americans may just opt for more of the same. It could give Clinton a pro-business image just when he needs it.

But what kind of tax cuts should the deal contain?

The collapse of last year's talks puts us in a whole new ball game. The GOP's $245 billion grab-bag of tax reductions is dead.

Some Republicans want to salvage part of last year's biggest-ticket proposal, the $500 per-child credit. That might fit their political needs, but it is more social policy than economic stimulus.

And unless Clinton and Congress can agree on large spending cuts, tax cutters will need to keep their ambitions modest. Big cuts run straight into the iron wall of the ''Byrd Rule.'' this says tax cuts must be ''paid for,'' and the rules for ''paying'' overestimate how much revenue most tax cuts would lose the government.

The bind is so constrictive, the Byrd Rule so absurd, that the GOP has been reduced to considering bringing back the airline ticket tax to pay for tax cuts.

With so little room to play in, the clear choice is the tax cut that delivers the most bang for the buck: Trimming capital-gains tax rates.

GOP leaders are said to be considering a cut in the top rate from 28% to 20% for individuals only. The relief would be retroactive to the start of this year.

Clinton has long publicly backed a least a targeted cap-gains cut. And throughout the budget battle, he has said he's open to a rate cut.

If Clinton were to quietly approve, we might get something resembling the original ''Contract With America'' cap-gains plan. Lehman Brothers Chief Economist Allan Sinai, no supply sider, calculated that that would have added 0.7% to the gross domestic product from 1995 to 1999.

Such a cut would have created 1.4 million new jobs over the same five years boosted the S&P 500 by more than 1% a year and put $9 billion to 18 billion in extra revenues in federal coffers, according to Sinai.

DRI–McGraw Hill projected growth of 1.9% in productivity, $22.7 billion in higher tax revenues and a near 12% drop in the cost of capital, cumulatively over 10 years.

Thanks to organizational strength, Bob Dole may pull out ahead of the GOP presidential pack over the next week. Yet the strong showing by political neophyte Steve Forbes, and the failure of Pat Buchanan's economic pitch, prove that prosperity and opportunity sell at the ballot box.

Dole needs a message—and Clinton needs growth. For the sake of the economy, let's hope they can work together to give us a cap-gains tax cut now.

UKRAINE'S COMMITMENTS TO REFORM IN THE ENERGY SECTOR

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 19, 1996

Mr. HAMILTON. I would like to bring to my colleagues' attention a letter I received from the administration concerning a commitment by Ukraine to reform its energy sector in return for United States assistance in the form of a USAID/Eximbank credit facility. In a series of communications with Mr. Richard Morningstar, special adviser to the President and Secretary of State for United States Assistance to the NIS, I expressed my concern that United States provision of a USAID/Eximbank facility be conditioned upon Ukrainian agreement to specific reforms.

In return for a $175 million credit facility, Ukrainian Deputy Finance Minister Shpek committed to restructure the power market. He specifically agreed to break up the power market by taking four distinct steps, as itemized in the following letter from the Department of State. The reforms agreed to by Mr. Shpek are above and beyond any existing IMF or World Bank conditionality. In my judgment, the conditions attached to this credit facility will enhance reform in the Ukraine.

The text of the letter follows:

U.S. DEPARTMENT OF STATE,
Washington, DC, February 22, 1996.

Hon. LEE HAMILTON,
House of Representatives.

DEAR MR. HAMILTON: During your meeting last fall with Mr. Richard Morningstar, Special Advisor to the President and Secretary of State for U.S. Assistance to the NIS, you expressed interest in the Administration's program of encouraging reform in Ukraine's energy sector and the AID/Eximbank facility. We wanted to take the opportunity to describe the energy sector reforms to which the Government of Ukraine has committed as a condition of approval of the facility.

In two face-to-face official meetings, Mr. Morningstar has made clear to Ukrainian Deputy Prime Minister Shpek that commitment to restructure the power market is an essential condition under which we could implement the $175 million facility. Deputy Prime Minister Shpek understood and accepted that condition and has committed to break up the state-owned power monopoly into the following parts:

Four already established, competing electricity generating companies that will be privatized; a national electricity transmission company; twenty-seven independent, joint stock local electric companies; and a competitive market for power by the end of March 1996 in which the generation companies bid to supply the local distribution companies with electricity at the lowest price.

This commitment is above and beyond any IMF conditions and any condition for any existing World Bank loan. Creation of the power market will become part of the negotiations for an upcoming World Bank loan. The AID/Eximbank credit will give the Government of Ukraine short-term funding flexibility to implement the energy market structure and will help to leverage the World Bank financing.

The AID/Eximbank facility is a special export credit insurance facility for U.S. exporters of agricultural-related goods and services to Ukraine. The purchase of refined fuel agricultural inputs—up to $100 million of the $175 million facility and of critical importance to the Government of Ukraine—would qualify for coverage under the program; however, the facility may not be used for broader, untied fuel purchases. We strongly believe that the commitment to the reforms outlined above justifies the inclusion of refined fuel products in the agriculture credit facility. The facility will operate according to ExIm's regulations and Eximbank will recommend whether to extend insurance coverage on a case-by-case basis. We assure you that any agricultural fuel inputs will be closely monitored and traced to agricultural use. As we go forward with this program we will be sure that it remains consistent with our broader efforts to promoting reform in Ukraine.

Please let me know if we can be of further assistance on this or any other issue.

Sincerely,

WENDY R. SHERMAN,
Assistant Secretary,
Legislative Affairs.

PERSONAL EXPLANATION

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 19, 1996

Ms. ROS-LEHTINEN. Mr. Speaker, it was necessary for me to return to my district on Thursday, March 14, before the final vote of the day was taken. I would have voted ''yes'' on H.R. 2854 on instructing the conferees to extend the reserve conservation program.

IN CELEBRATION OF THE GOLDEN ANNIVERSARY OF TROOP 232 OF THE BOY SCOUTS OF AMERICA

HON. LARRY COMBEST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 19, 1996

Mr. COMBEST. Mr. Speaker, I rise this afternoon with great pride to acknowledge an outstanding organization in Midland, TX—Troop 232 of the Boy Scouts of America is celebrating its golden anniversary and I would like to take this opportunity to congratulate them on this distinguished milestone.

Scout master Cliff Hogue started Troop 232 in 1946, and thanks to his efforts and the efforts of so many fine young men and their families, Troop 232 has reached this impressive record of a half-century of achievement. In the last 12 years, nearly 40 young men of Troop 232 have been awarded the prestigious Eagle Scout Award. In celebrating its golden anniversary, Troop 232 is not only paying tribute to its longevity, but it is recognizing a commitment to leadership and excellence.

As a former Boy Scout myself, I am well aware of the valuable role this organization plays in providing our youth with the necessary tools to become outstanding leaders. The Boy Scouts remind us of all that is good in America, and Troop 232, through its unwavering dedication to that organization's noble principles, has enriched the lives of hundreds of young men and given its community a legacy of which to be proud.

Congratulations Troop 232. May your success continue as you begin your second half-century.

LEGISLATION TO BENEFIT REEMPLOYED VETERANS

HON. BARBARA F. VUCANOVICH

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 19, 1996

Mrs. VUCANOVICH. Mr. Speaker, the Uniformed Services Employment and Reemployment Rights Act of 1994 [USERRA] increased the protections afforded our service men and women who leave a civilian job for qualified military service. In addition to assuring these returning veterans that their jobs would be waiting for them when they return, under USERRA a returning veteran is also eligible to have his or her pension, profit-sharing and other related benefits restored. These are the benefits that would have accrued, but for the employee's absence due to qualified military service.

The problem is, under the Internal Revenue Code [IRC], overall limits are placed on contributions and benefits under certain retirement plans. Thus the employer-sponsored pension and savings plan rights given to returning veterans by USERRA are taken away by existing rules in the IRC. If the conflicts between USERRA and the IRC are not corrected, aggrieved veterans will have to bring suit against employers to enforce their rights under USERRA. Relying on litigation to resolve this situation would benefit no one—not the courts, not employers, and certainly not veterans.

Today I am introducing the Veterans Reemployment Benefits Protection Act to allow veterans to received the benefits Congress intended to give them when it enacted USERRA. This legislation makes technical amendments to the IRC to allow returning veterans and their employers to make make-up contributions as authorized by USERRA.

Language similar to this legislation was included in the Balanced Budget Act of 1995, H.R. 2491, as passed by the House. I have added minor technical changes to the language in H.R. 2491 at the suggestion of the Treasury Department.

Mr. Speaker, I hope my colleagues will agree that this much-needed technical correction to the IRC should be passed expeditiously, either as part of a larger bill or even on its own. The dedicated young men and women who leave their jobs and families to serve in the U.S. military deserve nothing less.

ALCOHOL LABELING ACT

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 19, 1996

Mrs. SCHROEDER. Mr. Speaker, today I and my colleagues are reintroducing the Alcohol Labeling Act, which would require makers of alcoholic beverages to label each beverage container with a list of the ingredients and calories, as well as the alcohol, it contains.

This low-cost proposal establishes the unit of serving size called the drink. One drink contains 0.6 ounces of alcohol—the amount usually found in one beer, one shot of distilled spirits, or one glass of wine.

The only cost to U.S. taxpayers will be $500,000 for a toll-free number, which would provide referral help for those with a drinking problem. This number and the required information would be legibly printed on each container.

Labeling for alcoholic beverages was not part of the nutrition labeling requirements mandated for food products in 1990. As a result, we are still burdened with an alcohol labeling law that dates from the Prohibition era. It is inconsistent that the alcohol contents of wine and distilled spirits must be disclosed, while producers of beer and malt liquor have the option of listing their ingredients on their labels.

This bill would correct that inconsistency, while providing young consumers, diabetics, and others with diet-sensitive conditions with information on what they are consuming.

I am especially concerned about the increasing problem of teenage binge drinking. This bill would give young, inexperienced drinkers user-friendly information on beverage potency and a standard gauge of the impairment caused by an alcoholic beverage. Informed teens are more likely to avoid death from overdose.

In the 103d Congress, this legislation received the support of groups ranging from the Academy of Pediatrics, to the General Conference of Seventh-Day Adventists, to the National Parent Teacher Association, to the Latino Council on Alcohol and Tobacco.

Providing consumers with the information they need to make informed decisions about drinking is a sound first step in reforming our national alcohol policy.

I urge my colleagues to join me in supporting ingredient labeling on alcoholic beverages. As individuals, we need this information to be more responsible in our use of alcohol. As a nation, we must end marketing practices that mislead and target our youth.

AMERICA MUST STAND BY TAIWAN

HON. BILL BAKER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 19, 1996

Mr. BAKER of California. Mr. Speaker, on March 23, the people of Taiwan will hold an event we in this country much too often take for granted: a free election. As Americans, we share in their pride and hopeful anticipation of this great celebration of liberty.

At the same time, we must condemn the actions of the Mainland Chinese in attempting to intimidate the Taiwanese people. The efforts of the dictators in Beijing to somehow frighten the people of Taiwan into postponing their election have failed, and have again reminded the world of what the raw and sordid face of Marxist totalitarianism looks like.

Recently I met on Capitol Hill with Mr. Chen Rong-jye, Deputy Representative of the government of Taiwan. Mr. Chen holds the second-ranking position in the Taipei Economic and Cultural Representative Office in the United States, the equivalent of the Taiwanese Embassy—since formal American recognition of the Communist government in Beijing, Taiwan has had no formal embassy in the United States. We discussed China's military actions in the vicinity of Taiwan's coastline, and Mr. Chen showed me on a map how close the Communist Chinese had come in their missile exercises to two major Taiwanese ports.

I was honored that Mr. Chen came to the Hill to meet with me and discuss the Taiwanese situation. Communist China's crude bullying of Taiwan has failed to sway the commitment of the Taiwanese people to democratic elections later this month, and I fully endorse their brave determination to stand for liberty, and also am strongly supportive of the recent placement of U.S. naval ships in the waters near Taiwan.

In addition, I am proud to be an original cosponsor of the nonbinding House Concurrent