To the students, faculty, and administration of Adams Street East Side Prep, I again offer my sincerest congratulations as well as my wishes for continued success in the future.

ECUADOR, LATIN AMERICA, HUMAN RIGHTS, AND THE BROKEN JUDICIAL SYSTEM

HON. CORRINE BROWN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1997

Ms. BROWN of Florida. Mr. Speaker, the problem of human rights in Ecuador and the larger region of Latin America is of concern to so many people throughout America and in other countries. I enclose for the RECORD a letter from a Canadian who lives in Nova Scotia:

COMMITTEE FOR THE RELEASE OF MEL SOUTER,
Halifax, Nova Scotia, Canada, May 14, 1997.

Hon. CORRINE BROWN,
Member of Congress, Third District Florida, Congress of the United States, House of Representatives, Washington, DC.

HONOURABLE CONGRESSWOMAN BROWN: Honourable Congresswoman Brown, I bless you and thank you on behalf of all Canadians for your courage and efforts on behalf of all those imprisioned without trial in Ecuador and elsewhere, and we would deeply appreciate it if you would read this into your motion to the House this afternoon.

To the Chair:—Hon. Members—A Petition to the Government of the United States of America on behalf of Mel Souter in Prision without trail in Ecuador.

Mel Souter a Canadian citizen from Vancouver, Canada, is in the same prison and in the same conditions as Jim Williams from Jacksonville Beach, Florida. Mel was interrogated continuously for thirty (30) hours and then forced to sign a statement he was not allowed to read after two hundred and eight (208) days, he has not even been given a ''Summary'' decision, which is required by law within sixty (60) days.

As a Canadian, what is even more disturbing to me is that Mel Souter's arrest and detainment was instigated and coordinated by the U.S. government through the agencies of the FBI and the DEA. The Ecuadorians now say the case is bogged down because of lack of evidence which the DEA promised to provide. This case which was known as ''PESCADOR'' is now being dubbed ''FIASCO-DOOR'' by the locals.

What you do to your citizens inside or outside of the United States is your business—and we do not presume to advise you,—but what you do or cause to be done to my Canadian brother does concern me—and in this case—saddens me and offends me.

After eight (8) months, it is now clear there is no case against this gentle 53 year old Canadian father and grandfather.

As your Canadian neighbours and friends we urge you now to move with speed to undo the wrong that has been done—you cannot allow your agency just to walk away and call Mel Souter ''collateral damage''. We urge you to give a clear and direct order to the DEA in Ecuador to request his release from the Ecuadorian authorities. I am assured by the Ecuadorian authorities that if the request is made by the U.S. Government through the proper channels, it will be responded to in a positive way.

Please listen—please!!

We are Canadian—

You know the friendship and respect we have for America and its people.

We rescued your brothers in Iran in 1968—Our sons flew along side yours in Dessert Storm—Treat us like the friends we are—and show us your nobility, by making sure that MEL SOUTER is at the HEAD OF THE LINE when they walk through the Green Door and into the arms of their families.

Yours with friendship and respect

MEL EARLEY,
Chairman, Committee for the Release of Mel Souter.

HIGHER EDUCATION ACCESS AND AFFORDABILITY

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1997

Mrs. JOHNSON of Connecticut. Mr. Speaker, in proposing the HOPE scholarship, President Clinton has, to his great credit, identified an issue—college affordability—that is keeping a number of lower- and middle-income Americans awake at night. In the coming weeks, it will fall to the tax-writing committees, working within the framework of the budget, to determine just what sort of tax breaks we can provide for tuition for higher education.

In addition to budgetary constraints, we must be sensitive to the potentially inflationary impact of the provisions we enact. A few short years ago, we came very close to overhauling one-seventh of the Nation's economy partly in response to an alarming rate of medical inflation. Higher education costs are rising twice as fast as health care costs. I raise this as a note of caution, not as an excuse for inaction. We need to help families cope with these costs.

While there is much work to be done, there are several proposals on which I believe all of us—Republicans and Democrats alike—can agree as a starting point for building a consensus on a broader package. Today I am introducing the Higher Education Access and Affordability Act of 1997.

The Higher Education Access and Affordability Act would:

Make the payout from State-sponsored, prepaid tuition plans excludable from income;

Make the section 127 exclusion for employer-provided tuition assistance permanent;

Provide an above-the-line deduction for student loan interest;

Allow tax- and penalty-free IRA withdrawals for higher education expenses;

Allow nondeductible contributions of up to $1,500 per child per year into higher education savings accounts. The inside buildup would not be taxed. Distributions would not be taxed if the money were used for postsecondary tuition and/or expenses. Anyone could contribute to the account on a child's behalf—for instance, grandparents, aunts and uncles—but the account, not the individual contribution, would be capped at $1,500 per year.

Mr. Speaker, this package is not a panacea, but it provides a solid starting point. I look forward to working with my colleagues in the weeks and months ahead to develop a broad, balanced public policy response to the challenge of college affordability.

TRIBUTE TO DAVID K. PAGE

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1997

Mr. LEVIN. Mr. Speaker, on Wednesday, May 28, the Detroit chapter of the American Jewish Committee will present its prestigious Learned Hand Award to David Page.

It is a richly deserved recognition of David Page's many decades of community service.

He has honored his chosen profession within the traditions embodied in Judge Learned Hand's love of the law as an instrument of justice. His active partnership over the years in the law firm of Honigman, Miller, Schwartz and Cohn has been his anchor, and he has blended with it an exceptionally broad and diverse range of activity.

His concern for the health of the residents of Metropolitan Detroit, especially its children, is reflected in his chairmanship of the board of the Children's Hospital of Michigan, and more recently as the vice-chair of the Detroit Medical Center and director of the Karamanos Center Institute and chair of the Board of Visitors of the Wayne State University School of Medicine.

His community activities in the United Way, United Fund Drive, the Boy Scouts, University of Michigan, Marygrove College, the Community Foundation for Southeastern Michigan, and the Greater Downtown Partnership have impacted the lives of Michigan residents from numerous walks of life.

He has also been a pillar within his own Jewish community and nationally as director of the Council of Jewish Federations, president of the Jewish Federation of Metropolitan Detroit his director posts in American and Detroit, ORT, and his work with the Allied Jewish Campaign, the Jewish Community Center, and the Jewish Family and Children's Service, among others.

Clearly, this recital of some of David Page's civic endeavors manifests a person of extraordinary interest in and concern for all of humanity. In his quiet, but sparkling way, he has brought light to many lives.

I have been privileged to see some of his public accomplishments and to be a friend in his private life. The recognition bestowed on him through the Learned Hand Award is the kind he would never seek, but is richly deserved.

HELPING PARENTS EDUCATE THEIR KIDS: THE CHILDREN'S EDUCATION TAX CREDIT

HON. JOSEPH R. PITTS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1997

Mr. PITTS. Mr. Speaker, as a parent and a former school teacher, I am firmly committed to providing out Nation's children an education which will prepare them for their futures. I believe that only by empowering parents to do more for their child can our Nation's next generation truly thrive.

That's why I am introducing the Children's Education Tax Credit Act today. This bill provides a $450 tax credit per child for education expenses. The tax credit will apply to all individuals paying for textbooks, tuition, and other resources children need to excel in school.

Today, too many Americans are forced to choose between spending a little extra on their kid's learning and paying the rent. With the children's education tax credit, we can free parents to make the best education choices for their children. For decades, American families have struggled to make the best education choices because the Federal Government taxes them too much. It is vital that we reward investment in a child's education and encourage families to control more of their own money.

By letting parents decide how best their education dollars can be spent, we begin deferring to local communities and families the crucial decisions on how to educate a child. I urge that Members join me in fighting for sound education for our Nation's children by supporting the Children's Education Tax Credit Act.

A BOLD PROPOSAL FOR STIMULATING EMPLOYMENT AND GROWTH

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1997

Mr. HAMILTON. Mr. Speaker, I would like to bring to the attention of Members an important article published in Barron's earlier this year by William Drayton, an innovative thinker on economic and social development who founded the highly regarded non-profit organization, Ashoka. Mr. Drayton highlights the disappointing growth performance of the U.S. economy in recent decades. He also notes that more than 100 million Americans are either underemployed or unemployed. Mr. Drayton argues that helping make these Americans more productive is the key to restoring higher long-term growth to the U.S. economy. To stimulate job creation, Mr. Drayton makes a bold proposal: replace existing payroll taxes with a variety of resource-based ''patrimony taxes.'' Not everyone will agree with this proposal, but Mr. Drayton's article merits careful consideration. It offers an original way of thinking about a problem that has frustrated U.S. policymakers for many years.

[From Barron's, Feb. 24, 1997]

THE HIDDEN JOBLESS

(By William Drayton)

What if America could rev up a growth rate that would make Asians blush? What if it could be done all by market forces, without an increase in taxes, or the deficit, or Big Government? An administration willing to stop taxing jobs—and get the lost revenues from natural resources could bring America roaring into the 21st century with millions of new jobs. America could retain world economic leadership, and it would be able to heal the social divisions increasingly tearing us apart.

The first step is to accept that the country is not using 50% of its workforce—i.e., that unemployment is many times the 5.3% that the White House trumpets. The numbers are hard to duck. The 1990 census counted 6.87 million officially unemployed versus 133 million employed. However, only 80 million of that 133 million had full-time jobs (at least 35 hours a week). The other 53 million were part-time and seasonal workers, and only 14.6 million of them averaged 20 hours a week or more. A further 49.9 million perfectly healthy adults who are entirely free to work are omitted from the Labor Department's ''work force'' or ''unemployed'' categories: Because they are neither working nor actively seeking work, they are officially invisible. Including these invisible souls, 57% of the potential workforce are un- or underemployed—and that does not count millions more who have, for instance, some ailment but nonetheless want work. This makes for a very loose labor market indeed, and it entails gigantic social costs.

If the country has over 100 million un- and underemployed, why do our statistics and discussions focus only on the seven million ''unemployed''? Because they are the political problem: The others have psychologically accepted dependency/unemployment and are not actively angry or seeking help.

Giving these tens of millions of people jobs is our country's only possible avenue to fast growth. There simply is no resource other than this vast reservoir of un- or underutilized labor—and all the education, health care, and other human capital invested in them—that can provide the energy necessary for the economy to break out of its pathetic 2.5 percent growth rate. We have lost our raw materials advantage: As one of the most exploited continents in the world, we increasingly import—our oil and metals, for example. Nor do we any longer have privileged access to low-cost capital. Every year it becomes easier for companies in Thailand to tap cheap money in the ever-more-efficient global financial markets. Only in its people and their human capital does America have a huge unutilized resource that could fire growth.

The simplest and most powerful single policy to produce tens of millions of new jobs is to swap today's $525 billion in payroll taxes (chiefly Social Security, health, and unemployment) for equal revenues from a new ''patrimony tax'' on the continent's natural wealth. This would lower the price of labor relative to natural resources by 35 percent–40 percent over seven to eight years of gradual introduction. (If income-tax payroll deductions are also cut, the relative price shift would be well over 50 percent). This trillion-dollar-plus relative price shift is leveraged jujitsu: Higher natural-resource prices increase employment; so do lower labor costs. Social Security benefits would not be touched, just paid for in a new and politically attractive way.

Economic growth would multiply as the new workers produced far more goods and services, as families and government no longer had to pay for tens of millions of dependents; as crime and other social ills receded; as taxes shifted from production to consumption; and as the economy's new price signals encouraged rather than victimized the fast growth knowledge sectors that are our global strength and our future.

Here's how it would work. Reducing payroll tax rates by three percentage points each year would provide a $92 billion annual stimulus to employment. If the policy cut employee contributions first, the typical employee could be sent a $1,000 refund check for each such three-point reduction—a politician's dream.

Since the payroll tax ultimately comes out of workers' pockets in industries where they have little bargaining power, cutting it is one of the few feasible means of reducing the country's growing, corrosive income inequality.

Where workers do have leverage and therefore rising salaries—i.e., the knowledge sectors so key to our future—employers have to absorb the tax. Cutting it would allow them to hire more workers, cut prices (and therefore sell and hire more), and/or enjoy larger profits (which invites new competitors with new jobs).

Then there's the policy's incentive magic: It compounds such direct increases in the demand for workers by simultaneously raising the lost revenues through new taxes on the use of natural resources: The first year *relative* price shift thereby suddenly weighs in at $184 billion, not $92 billion.

There's political magic as well: These natural resource taxes can be enacted. As Al Gore (and many environmentalists before him) have learned painfully, stand-alone natural resource taxes are likely to crash and burn. These patrimony taxes, however, should fly politically. That's because they are inextricably married to giant political positives—increasing jobs and growth while slashing both payroll taxes and mass unemployment's social ills.

Given this popular underpinning and a little creativity, there are many, many politically feasible patrimony taxes. For example:

Energy Inefficiency Tax. A tax charged each year on the 25%-50% least-energy-efficient new cars, appliances, etc., and commercial buildings. The tax's automatic annual adjustment keeps revenue steady, spurs innovation and avoids the political heartburn of periodic adjustments. It spares the poor since they can buy old or relatively efficient new goods untaxed. It entails little administrative cost (most of the information is already available), and the political pain is tolerable (because taxed industries have winners as well as losers and because the super mobilized new property developers are excused). It would raise roughly $10 billion-$20 billion annually.

Non-Labor Value-Added Tax. The standard European consumption tax could be modified to tax all portions of production except labor. Such a tax with a 10% rate would produce over $180 billion. If housing, food, and medicine were excluded, it would still raise $80 billion.

Recycling-Incentive Tax. By charging two cents a box, bottle or other package unless it contained a minimum percentage of recycled material, this tax would create substantial new demand for scrap and $10 billion-$20 billion in revenues.

How would people respond to such changed incentives? Farmers, for example, would find summer hires more attractive than before—because they would cost less and could substitute for machines that chew up newly expensive energy and materials, and because a series of natural-resources-conserving activities, ranging from composting to fighting erosion would warrant the labor required. People-intensive outfits, from research labs to consulting firms, would grow as their chief cost was cut.

There are no bureaucrats, no sectional preferences, no ''industrial politics'' here. This policy uses what truly moves markets: changed prices.

Much more than national wealth and individual well-being are at stake. Allowing our decades-old below-expectations growth to continue will leave us mired ever more deeply in a historically familiar trap. Our first response—which is historically typical—was to keep consumption growing as fast as we felt it should by consuming capital—be it through controlling rents, cutting education or not maintaining our bridges. With the debt blow-off of the 1980s we reached the even more destructive next stage: If the majority can no longer ensure that its consumption continues to compound, it will be tempted to unite politically to protect whatever it does have from the claims of others.