

from the US. The Americans will thus be watching both monetary integration and EU enlargement with a keen eye and will not hesitate to express their views on matters that effect its interests—just as Europeans will scrutinize American economic policies including its sanctions initiatives designed to tie security and trade issues and which are likely to directly impinge directly on European commercial and monetary interests.

Another problem is that globalization itself has partly eclipsed the transatlantic economic relationship, even if globalization itself can be seen as a natural and successful consequence of the transatlantic partnership. The emerging global economic order is increasingly characterized by the unhindered trade of goods and services, the rapid diffusion of technology, the ever greater mobility of financial capital and the far more prominent role being played by private financial institutions. In this new global economy, there will be an ever greater premium attached to stringent monetary and fiscal management. This is increasingly leading to macro-economic convergence. Yet, our societies are naturally not always willing to cede everything to economic logic. And it is for this reason that states will remain critical actors in the world economy.

Globalization is a force affecting all our countries, and I would argue that it is pushing North America and Europe in the same general direction but at varying speeds. This could potentially lead to further drift in the relationship. In the United States, key sectors have been deregulated, while strategic corporate mergers have created a number of large coherent industrial and service companies poised to flourish in the international economy. Responding to new challengers like Japan, American civilian firms in recent years have restructured their operations, introduced new organizational principles and slashed work forces and production costs. American firms like Microsoft and Intel have established nearly hegemonic positions in new computing industries. California's Silicon Valley rides on the crest of the information revolution and is reaping huge profits as a result. American industry has very rapidly incorporated the computer into the workplace and this seems to have contributed to America's current economic boom. Average GNP growth in the United States over the last seven years is 2.5%, the current unemployment rate stands at only 4.8%, and inflation has fallen to 2.8%, while a rocketing stock market index continues to astonish observers.<sup>1</sup> Some economists including Fed Chairman Alan Greenspan have hinted that a kind of sea change has transpired in the United States that has permanently changed the inflation-growth-unemployment relationship.

Europe's firms have begun to respond to global pressure through restructuring and consolidation although markets there are generally more regulated and tax rates remain higher. Moreover, with a GNP the size of America's, in 1994 Europe produced only a fifth as much software. It has only 7 percent of the export market for computers and office equipment. This suggests that despite unambiguous signs of an economic recovery, Europe needs to make great advances in the industries that are likely to dominate world markets in the future. If globalization is seen in Europe as rewarding only those industries in which Europe feels less competitive, the result could be a more inward-looking Europe, resistant to deregulation and determined to defend a quality of life that cannot be sustained without undertaking impor-

tant changes. An inward-looking Europe's relationship with the United States would be tense. The United States clearly needs Europe as a partner to advance the liberal, free trading vision. Therefore, a significant fall-out would gravely weaken America's capacity to promote greater international liberalization and integration.

At the Denver summit earlier this year, the contrast between the American and European economic cultures were starkly on parade. While President Bill Clinton extolled American achievements, somewhat offended European leaders and numerous writers subtly pointed to what many see as the down sides of the US model, including the wider income gap in the United States and the tragic state of American inner cities. Again this is indicative of how domestic political economies are increasingly becoming a subject of international discussion. This is partly because distinctions between domestic and international economic issues are artificial and increasingly recognized as such. How states organize their domestic political economy will have important effects on their relations with other states. The New Transatlantic Agenda, however, suggests that this phenomenon need not be viewed with trepidation. It can have a mutually advantageous impact provided that our countries' leaders manage it properly. That will not be easy as the Helms-Burton dispute revealed.

Finally it is often assumed that the greatest investment opportunities lie in developing or transition economies. But in the coming decade, growth opportunities will be great in much of the OECD as well, due to de-regulation, restructuring trade in services and the emergence of new information industries like those related to the internet. The most developed countries are undergoing an industrial revolution which will create countless new opportunities for trade and investment between Europe and the United States. We are already seeing this revolution in the development of transatlantic telecommunications and airline alliances. The intricate interweaving of corporate interests could have the effect of bringing Europe and the United States into an even closer relationship partly by making it more difficult for states to claim companies as their own and to act on that basis.

The Russian economy's evolution will also shape the transatlantic agenda. Were the Russian economy to spiral downward, the resultant instability would pose a serious set of problems to Central and Eastern European states—ranging from new refugee pressures to even greater mafia activity. The proliferation of the know-how and material necessary to construct weapons of mass destruction is not unrelated to the health of the Russian economy as well as the Russian state's capacity to control the export of weaponry and material and to keep scientists and engineers gainfully employed. The Allies will have to encourage further liberal market reform and commercial integration with the West and assist Russian leaders in controlling armaments exports insofar as each of these is possible. Responsibility ultimately lies with the Russians themselves, and the current government appears committed to reform. But strong political and social resistance to reform will not fade away and mafia activities seem to be growing in scale and scope. The most likely scenario for Russia is fitful reform with uneven results. The West must therefore be prepared both to extend a hand to its Russian partners while preparing for a relationship that will not always be easy.

Russia will continue to be a key player in energy markets. For example we can anticipate a rivalry in the Caspian Sea for influence and access to the huge potential oil and

gas reserves of the Caspian region. Energy issues have long been a source of division within the Alliance (Total's recent investment plans on Iran being the latest example), and forging a united Western approach to the Caspian region may prove enormously difficult given the different kind of interests involved. The Caspian region will emerge as one of the crucial out-of-area considerations shaping the strategic calculations of the NATO partners as well as the Russians, and it may well divide more than unite North America, Europe and Russia.

Let me conclude with a brief remark about my own country. Like Europe, America confronts long-term structural problems that will continue to absorb the energy of legislators and government officials. Some of these problems, like the growing income gap, may have been exacerbated by globalization, while others, like educational weaknesses, compromise America's long-term prospects in that economy. Finding solutions to such problems lie at the core of contemporary American politics. Despite these problems, there is a growing perception that globalization has proven beneficial to most Americans. President Clinton, for example, will probably be granted authority to negotiate a new round of free trade pacts despite resistance from his own party's left wing. The public and its representatives have come to recognize the value of the world economy. Many new members of the U.S. Congress arrive with little international experience, but economic globalization and America's central role in that process means they cannot or at least should not ignore developments beyond its borders. The Senate NATO enlargement ratification debate will again focus attention on the profound ties between the U.S. and Europe.

One of the hallmarks of democracy is that when push comes to shove, rationality generally prevails. The reasons for maintaining close transatlantic economic co-operation far outweigh the inconveniences and petty disputes. Both Europe and America are subject to global economic pressures and its leaders and companies are responding in ways consistent with their distinct political and economic cultures and traditions. The great challenge lies in accommodating these differences in order to revivify a partnership of politically stable and economically vital nations that together will help steer the world economy into the next century.

90TH ANNIVERSARY OF THE VIL-  
LAGE OF SOUTH CHICAGO  
HEIGHTS

**HON. JERRY WELLER**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 21, 1997*

Mr. WELLER. Mr. Speaker, I rise today to honor the 90th anniversary of the village of South Chicago Heights, a community rich in heritage. First settled in 1833 at the corner of the Old Sauk Trail and the Chicago-Vincennes Road, South Chicago Heights has become a strong community many families are proud to call home.

The village of South Chicago Heights has been growing rapidly since it was incorporated 90 years ago. In the first election in 1908 there were a mere 82 votes cast. Today, the village boasts a population of over 3,700 residents.

In 1910 the police department was established, in 1926 the first village hall was erected, and in 1959 the first fire station was built. South Chicago Heights grew as America grew

<sup>1</sup>The Economist, June 21st, 1997: p. 12.

and in 1959 the village board approved the development of the first shipping center in the community.

Currently, the village of South Chicago Heights provides many services to its residents. From fire and police protection to water and sanitary services, the families in this community receive outstanding services while paying low taxes. South Chicago Heights should be given special commendation as a community which takes care of those who have given so much of themselves. The village has devoted a great deal of time and effort to assisting its seniors by building a senior citizens center. This center should serve as a model for all communities.

The 90th anniversary of the village of South Chicago Heights has been celebrated this year by village President David L. Owen, trustees Lou Bednarek, Tony Capua, Donald E. Cull, Bonnie S. Hudson, Joseph F. Kudra, Jr., John M. Ross, and Clerk Melinda Villarreal. These outstanding elected officials joined the residents of the village at a dinner dance and all-day festival this fall.

It is truly fitting that this village celebrate 90 years of history and progress. I extend my best wishes to the village, its community leaders, and its residents for many more prosperous years to come.

DISTRICT OF COLUMBIA APPROPRIATIONS, MEDICAL LIABILITY REFORM, AND EDUCATION REFORM ACT OF 1998

SPEECH OF

**HON. JULIAN C. DIXON**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 9, 1997*

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2607) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1998:

Mr. DIXON. Mr. Chairman, I rise in opposition to H.R. 2607 and in support of the Moran substitute. As you will hear during this debate, there are a litany of reasons why the House should pass the substitute and adopt the Senate language. From micromanagement of the District to tort reform to the controversial provisions on school vouchers, this bill represents a step backward from efforts to bring fiscal sanity and reform to the government of the Nation's Capital.

What we should do is work together with the locally elected government of the District of Columbia and the federally appointed Control Board to move forward on implementation of the D.C. reform plan passed in the budget agreement. What we choose to do is to put roadblocks in the way of that forward movement by adopting extraneous provisions that have absolutely no business on this appropriations bill.

I have no illusions about the prospects for passing this substitute amendment. It would be too reasonable to assume that Members of the majority might put their leadership's zeal to make ideological points aside in the best interests of the Nation's Capital. Every Member

should understand that by voting against the Moran substitute, we dispense with the possibility of quick enactment of this bill; we set up a clear possibility for veto; and we do a disservice to the very people we profess to be so concerned about—the citizens of the District of Columbia.

Much of the debate today will focus on the most controversial aspect of this legislation which the majority will maintain is essential to the well-being of D.C. children—the so-called Student Opportunity Scholarship program. I regret that I find it necessary, as others will, to spend my debate time concentrating on this issue, rather than broader concerns facing Washington, DC.

It is inconceivable to me that the leadership of this House believes that it is more important to hold up enactment of a bill that is a vital piece of our efforts to revive the District for all its children, in order to make its ideological statement on the value of school vouchers. But since that is the course they choose, let's look at the program that the majority argues is an answer to the problems besetting the District of Columbia public schools.

H.R. 2607 authorizes \$45 million over 5 years to fund tuition and tutoring scholarship—vouchers—for D.C. students. Rather than a boon to D.C. schools and her students, this provision is a vote of no confidence in the newly appointed school leadership committed to improving public education; it injects the controversial issue of funding religious schools with public money; and it a structurally deficient piece of authorization legislation on an appropriations bill.

Voucher proponents often refer to the failures of the school system, documented in a November 1996 study conducted by the District of Columbia Financial Responsibility and Management Assistance Authority. The study "Children in Crisis," revealed numerous problems with the District's public school, noting that the system "has failed to provide our children with a quality education and safe environment in which to learn." The Authority found that D.C. students consistently rank below national average scores on tests of competency and student achievement, school administrators fail to adequately manage resources, and the infrastructure is in need of major improvements.

I do not stand here in defense of the management and instructional quality of the D.C. school system. However, the story of the public schools should not end with the bad news. We all hear about what's wrong with the D.C. schools, but what about those public schools that are doing things right?

Walker Jones Elementary School in Northwest Washington is working with the Laboratory for Student Success program using Community for Learning, a research-based school reform model. The concept is called whole school reform, and is characterized by intensive teacher training methods and materials geared toward better student learning. As a result, student test scores have improved. After 6 months in the program, the school raised its ranking in the District on reading scores from 99th in 1996 to 36th in 1997. In math, the school climbed from 81st in the District to 18th.

All of Eastern Senior High School's 1997 graduates of its Health and Human Services Academy—more than 400—were accepted to college. The Health and Human Services

Academy is a special high school program that prepares its participants to enter the health and human services field immediately upon graduation or to pursue postsecondary education in a related field. The Academy was developed through a partnership with the U.S. Department of Health and Human Services.

At Stuart Hobson Middle School, the school's Odyssey of the Mind team won second place in the national competition's classics category—in which 5,000 teams competed nationwide. Hobson features a museum magnet program in which the school offers courses, seminars, labs, and field experience in conjunction with the Smithsonian.

The Nalle School and the Freddie Mac Foundation are working together to create the District's first full-service community school, to address the wide range of family needs. Working with service organizations, parents, educators, and community leaders, it is becoming a major hub of community activity.

We should be insisting on and facilitating the replication of these successes in D.C. schools. Instead, we fight over funneling taxpayer money to private schools, emphasizing failures rather than seeking to enhance successes.

For the sake of argument, let us assume that there are private school slots for the 2,000 kids eligible for vouchers with a maximum value of \$3,200. We have to assume, because as the Washington Post of September 30 stated it would be difficult to find those slots given that the vast majority of secular private and religious schools charge more than \$3,200 for tuition. Nevertheless, if we could find those 2,000 openings, what exactly does our voucher experiment prove? That we can spend public money on private schools for 3 percent of the District's students? Is the inference that if we are successful with this laboratory experiment in the District, then we can embark on a wholesale abandonment of the public schools in the District? Are we prepared to give the minimum voucher amount of \$2,400 to every District student who would be eligible? That's 50,000 vouchers at a cost of over \$100 million.

From the Republican leadership's strident support of vouchers, and their denigration of the public schools, one get the impression that no one is working to turn the tide? That is simply not the case.

In response to their study's findings, the members of the Authority embarked on a bold initiative to shake up the school system by implementing a new management structure with a mandate to improve the public schools. On November 15, 1996, the Authority appointed Gen. Julius W. Becton as chief executive officer and superintendent of DCPS and established the Emergency Transitional Education Board of Trustees.

Although General Becton has been on the job for less than a year, he has already taken significant steps to improve the public schools. He has developed an academic plan focusing on high standards and accountability for results; redesigned the budget structure to hold managers accountable for spending; and implemented comprehensive security and facilities' management plans. These efforts hold much promise for the system and Congress ought to be emphasizing our support for these objectives.

Instead, we put forth a proposal which will not improve public education and is probably