Rights Hall of Fame Games. In addition to his degree from North Carolina Central University, Don graduated with an M.S. degree from Indiana University in 1967 and earned an advanced degree from Purdue University in 1976. Don, now seventy years old, plans to continue his daily regimen of walking at least two miles every morning. He also wants to spend more time with his wife, Barbara, their two daughters, Sandra and Cynthia, and his stepson, Cromwell O'Brien.

Mr. Speaker, I ask you and my other distinguished colleagues to join me in commending Don Leeks for his lifetime of service, leadership, and rededication to Gary and Northwest Indiana. Don's efforts as Athletic Director for the School City of Gary are legendary as one tool among many serving to help students stay motivated in the classroom. Don has rewarded the people of his community with true leadership and uncompromising dedication.

TRIBUTE TO GRADUATES AND ACADEMIC ACHIEVERS OF THE 12TH CONGRESSIONAL DISTRICT

HON. NYDIA M. VELÁZQUEZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1998

Ms. VELÁZQUEZ. Mr. Speaker, it is with great pride that I ask you and my colleagues to join me in congratulating special graduates of the 12th Congressional District of New York. I am certain that this day marks the culmination of much effort and hard work which has led and will lead them to continued success. In these times of uncertainty, limited resources, and random violence in our communities and schools, it is encouraging to know that they have overcome these obstacles and succeeded.

These students have learned that education is priceless. They understand that education is the tool to new opportunities and greater endeavors. Their success is not only a tribute to their strength but also to the support they have received from their parents and loved ones.

In closing, I encourage all my colleagues to support the education of the youth of America. With a solid education, today's youth will be tomorrow's leaders. And as we approach the new millennium, it is our responsibility to pave the road for this great Nation's future. Members of the U.S. House of Representatives I ask you to join me in congratulating the following Academic Achievement Award Recipients:

Rafael Feliciano and Shaquana Anderson—PS 16; Joseph Santos and Angeline Hidalgo—P.S. 18; Kristoffer Cortes and Christie Santana—P.S. 19; Jose Oquendo and Cindy Rivas—P.S. 49; Myrna Adana and Angela Morales—I.S. 71; Imari Valentin and Gilbert Feliciano—P.S. 84; Andrew Malave and Gabriel Martinez—P.S. 147; Miriam Aponte and Amanda Rodriguez—P.S. 196; Desiree Cardona and Michael Curchar—P.S. 250; Ralph Wilson and Cheetara Little—P.S. 257; Valerio Aguilar and Hugo Rios—P.S. 380; Lauren Cruz and John Bigolski—I.S. 318; and Xiomara Adames and Jose Castro—J.H.S. 50.

Vanessa Rodriguez and Victor Gavela—Beginning With Children School; Abner Aponte and Cesarina Lopez—Eastern District Senior Academy; Julian Blumberg and Jazlyn Duran—All Saints R.C. School; Jamie Inez Hemandez and Adam Valentin—Most Holy Trinity School; Lauren Teresa and Ana Castro—St. Nicholas R.C. School; Gwen Cruz and Desiree Ortiz—St. Peter & Paul R.C. School; Jackqueline Duran and Adrian Jimenez—Transfiguration School.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1999

SPEECH OF

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 23, 1998

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 4101) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1999, and for other purposes:

Mr. FAZIO of California. Mr. Chairman, I rise in reluctant opposition to the Dooley amendment.

Mr. DOOLEY has been the chief proponent of increased resources going to agriculture research, and he labored mightily within his committee and at the conference committee on the recently-passed ag research bill, which was signed this morning by the President.

He knows as I do that research has always been the key to U.S. ag productivity and that as we turn to a more market-oriented ag economy, ag research will be even more important in sustaining the U.S. lead in this field.

California's specialty crop agriculture has known this for many years.

One key to our success has been market promotion with such successful programs such as the Market Access Program, but we have a very close relationship with the research going on at our ag schools and getting those results into the field.

Formula funds for our land-grant schools are important.

The competitive funds within the National Research Initiative are important.

We hope the new initiatives—such as the Fund for Rural America and now the new research program in the ag research bill—will play an important role in the future in putting additional resources into research—the committee has been chagrined this year at having to look to these new and promising initiatives for offsets in order to make our bill whole.

But special research grants are also important to our overall research effort.

These are cooperative efforts between industry and our research institutions.

Unlike competitive research which is wholly-government funded, industry is making significant contributions—typically 50%—to these limited-duration agriculture projects affecting commodities of local or regional importance.

But Mr. DOOLEY does us a real service with his amendment in pointing out the real difficulties we are struggling with in every bill this year.

These are difficult choices, and the committee had a Hobbesian choice in either letting the new ag research program go forward or making cuts in virtually every other agricultural program in our bill.

Unfortunately, the amendment presents another difficult choice in determining the direction of our ag research efforts—whether to abandon the special research initiatives which have traditionally served us well in order to move a new research initiative forward.

I appreciate Mr. DOOLEY raising these important issues—in the field of ag research, there is no legislator who has labored longer or has greater standing to comment on these issues.

Although I reluctantly oppose him today, I know that together we will be doing all we can to see that agricultural research gets the resources that pay off so mightily for our nation.

THE REFORESTATION TAX ACT

HON. JENNIFER DUNN

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1998

Ms. DUNN. Mr. Speaker, today I am introducing legislation, the Reforestation Tax Act, that will lower the tax burden on timber assets that are managed in a sustainable and environmentally sound fashion.

Last year, Congress took a major step toward reducing the Federal tax burden on millions of Americans, eliminating the deficit, restoring greater fiscal integrity to the budget process and, in the process bringing a measure of greater equity to the tax code. Most importantly, we sought to encourage savings, to promote sustained, long-term growth, and to immediately reduce the tax burden of Americans by lowering the tax on capital gains.

The Reforestation Tax Act recognizes the unique nature of growing trees by reducing the amount of gain subject to capital gains by 3 percent each year a timber asset is held up to a maximum of 50 percent. Most importantly, it would apply this tax rate to all taxpayers, individuals as well as corporations. In this manner, we would avoid the inequity we have today whereby neighboring tracks of the same timber are taxed at different rates simply because of the business form of their investments (i.e. one is owned by a small group of investors while another is owned by a larger group of public investors).

Besides ensuring fairness, the Reforestation Tax Act will encourage sound forestry practices that keep our environment healthy for the future. Currently, industrial timberlands help reduce demand for timber from public lands while generally being managed according to principles of sustainable forestry. Moreover, by sequestering carbon, managed forests help to offset emissions that contribute to the ''greenhouse effect''. Unfortunately, today's high tax burden on forest assets runs counter to our commitment to preserving and investing in the environment. This bill would encourage reforestation—or reinvestment in the environment—by extending tax credits for all reforestation expenses and shortening the amortization period for reforestation costs. As we consider policies to counteract global warming and improve water quality, we need to encourage sound forestry practices. It is this kind of approach that assures our tax policies take

into account the long-term risk of timber investments and rewards timber owners who responsibly sustain forest health over long periods of time.

The Reforestation Tax Act represents the best of sound tax and environmental policy. I urge my colleagues to support and cosponsor this measure.

DESCRIPTION OF REFORESTATION TAX ACT OF 1998

SECTION 1—PROPOSAL TO INCREASE INCENTIVES FOR INVESTMENT IN LONG-HELD TIMBER ASSETS

Proposal: To reduce the negative interaction of tax rates and inflationary gain on investment in long-held timber assets. Section 1 would reduce the amount of gain on harvested timber subject to tax by 3 percent each year the asset is held, up to a maximum 50 percent reduction. The proposal would be available for all timber owners.

Description of Current Law: Under current law, timber is considered a capital asset. However, the lower tax rate for capital assets was eliminated in the Tax Reform Act of 1986. This created a situation where timber owners, who must hold their trees for 20 to 60 years before harvesting, were paying taxes on inflationary gains. Congress partially corrected this problem last year when it restored lower capital gains rates—20% for individuals who held their capital assets for at least 18 months. However, corporate timber owners must still pay the higher regular tax rate of 35% on their timber gains.

Reasons for the Change: The 1997 Taxpayer relief Act (TRA) significantly reduced the Federal tax bill on millions of Americans by reducing the burdensome tax rates on capital gains for individuals. The House passed version of TRA included a capital gains tax reduction for individuals and corporations. Unfortunately, the TRA as finally enacted contains provisions that have unintended consequences for the forest products industry. Because it ultimately excluded corporate assets, the 1997 TRA established a much higher capital gains tax threshold for all corporate assets, merely based on the form of ownership. Discriminating against taxpayers who make long-term investments, based solely on the business form of their investment, is a particularly unfair consequence for the forest products industry.

Timber growing in any form is a long-term, high-risk venture, subject to the unpredictable threats of disease, fire, government intervention, and price in the marketplace. The TRA outcome creates a differential between those who invested in growing trees as a corporation and those who have invested as individuals. Many non-industrial timberland owners' assets are held in corporate form, based on considerations under current law (liability concerns, estate taxes, etc.), so a capital gains differential limited to individuals excludes coverage for much of the nation's privately held timberland. But no matter who pays the capital gains tax, the investments are equally risky, and the incentive to reinvest diminished. Private forest landowners—corporate and non-corporate—furnish most of the nation's timber resources. In fact, less than 8 percent of the nation's timber harvest comes from public lands. There are currently 393 million acres of woodlands owned by 9.9 million private owners, ranging in size from small woodlot owners to large industrial concerns.

How the Sales Price Adjustment Works: Upon the sale of timber, for purposes of determining capital gain, the gain would be reduced by 3 percent for every year the timber was held. This provision is restricted as that the reduction in sales price cannot reduce the gain by more than 50 percent.

Environmental Benefits of the Section 1: U.S. Commercial timberlands are managed in accordance with some of the strictest environmental standards in the world. We need to support this industry as it competes in the global marketplace against international competitors, many of whom are not subject to the same standards as the U.S. industry. U.S. commercial timberlands are managed not only for purposes of providing timber but also for promoting fish and wildlife habitat and other public purposes. In addition, trees are natural ''carbon sinks,'' sequestering carbon dioxide and giving off oxygen. In plain terms, the U.S. forest products industry is a major contributor toward reducing the accumulation of greenhouse gases through its management of timberlands.

SECTION 2—PROPOSED TO IMPROVE THE TAX CREDIT AND AMORTIZATION PERIOD FOR REFORESTATION EXPENDITURES

Proposal: To remove the current dollar limitation ($10,000) on the amount of reforestation expenses that are eligible for the 10 percent tax credit and that are allowed to be amortized; secondly, to decrease the amortization period over which these expenses can be deducted from seven to five years.

Description of Current Law: Current law provides a ten percent tax credit to timberland owners who spend up to $10,000 to reforest their land and allows the same amount ($10,000) of reforestation expenses to be amortized over a seven year period.

What are Reforestation Expense: The initial expenses required to establish a new stand of trees often include items such as site preparation, the cost of the seedlings, the labor costs required to plant the seedlings and care for the trees in the first several years, and depreciation equipment used in reforestation.

Example of How the Credit and Amortization Provisions Work: Today, if a timberland owner spends $10,000 on reforestation costs in a year, the taxpayers can take a ten percent credit, i.e., $1,000 off their tax bill for those expense. The basis is reduced by 50% of the credit (in this case $500) and the remaining $9500 of expenses are eligible to be amortized, i.e., deducted over a seven year period, generally in equal amounts of one-seventh each year. Reforestation expenses over $10,000 are not eligible for this incentive.

Environmental Benefits of the Section 2: The provisions are intended to encourage reforestation, both on land that has been harvested and on land that was previously put to other uses, such as agriculture. Trees provide a tremendous benefit to the environment—they prevent soil erosion, cleanse streams and waterways, absorb carbon dioxide from the atmosphere, and provide habitat for a range of species. Tax incentives for planting on private lands also decrease the pressure to obtain timber from public lands, allowing more public land to remain untouched.

Need for Tax Incentives to Encourage Reforestation: The decision to reforest, particularly after harvesting, can be a difficult one. The expenses are high and the eventual benefits quite remote since trees must grow 20 to 60 years until mature enough for harvesting again. During that long period of time, the trees are subject to numerous risks such as disease, forum insects, etc., as well as ordinary market risks.

Reasons for Eliminating the $10,000 Cap: The arbitrary limit on eligible reforestation expenses restricts the number of acres that can be automatically reforested. With the ever decreasing availability of public timber, it is even more important to encourage the maximum amount of private reforestation possible. It is particularly essential that all landowners be eligible for such tax treatment so that they will have the resources to hire professional foresters, wildlife biologist, and other experts which allow for more environmentally sensitive forestry practices. Larger owners are penalized under current law because corporations are not eligible for lower capital gains rate on timber. If the tax law is not changed to benefit all timber owners who reforest, it could encourage owners who do not receive tax incentives to get out of the business of owning timber and this would ultimately be very harmful to both timber supply and the environment.

HONORING GWENDOLYN BYRD

HON. ELIOT L. ENGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1998

Mr. ENGEL. Mr. Speaker, Gwendolyn Byrd is a grand example of someone who has achieved success in both the public and private sectors. So it is with more than a touch of sorrow that on this occasion we are honoring her on her retirement as New Rochelle City Clerk.

Gwen was born the eldest of four daughters to Marcus and Juanita Tarrant. After attending Pace University for two years she went to work. And, when her family moved to New Rochelle in 1958, she worked for a number of City agencies before becoming the city's first African American and woman named a Deputy City Marshal.

Five years later she opened Byrd's Nest restaurant and also started a catering business which serviced a client list that included the Cathedral of St. John the Devine and many others. In the 1980s she established Hannah's Place at the New Rochelle Marina, serving fresh seafood. In 1989 Gwen joined the Cornell University Cooperative Extension Service counseling the homeless residents of WestHelp on nutrition.

Gwen has always been an ardent volunteer and organizer. She is a founder of the New Rochelle Black Women's Political Caucus and the African American Art and Cultural Appreciation Council.

She was appointed City Clerk in 1992, the first African American and woman to be appointed to such a high city post.

She has given so much for so long I cannot imagine how New Rochelle will get along without her. But that cannot stop me from offering her the very best for a retirement as rewarding as the rest of her life.

TRIBUTE TO MONCHITO PASCUALY ON THE STREET RENAMING CEREMONY IN HIS HONOR IN SUNSET PARK, BROOKLYN

HON. NYDIA M. VELÁZQUEZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1998

Ms. VELÁZQUEZ. Mr. Speaker, it is with great pride that I offer a tribute to Gladys Pascualy and the Pascualy family on behalf of Monchito Pascualy, the former ''mayor'' of Sunset Park, Brooklyn, on the day of a street being renamed in his honor in the community. Monchito, as he was known with warmth throughout the Sunset Park community, was a respected and loved member of our diverse