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

community. He was a business leader who owned two small businesses in Sunset Park and who worked to bring together merchants throughout the community, especially along 4th Avenue, to improve the neighborhood and their livelihood.

Monchito, recognizing that youth are our community's and Nation's future, would often sponsor positive activities and provide trophies and other awards for Sunset Park's youth. His civic mindedness inspired merchants all along 4th and 5th Avenues in Sunset Park to commit themselves to bettering the community, including developing a constructive working relationship with the 72nd Police Precinct.

Monchito's generous and charitable nature would not allow him to see another human being suffering and he would often give freely to those in need. His generosity and leadership are legendary in the community to this day.

Sunset Park lost a great man, a great Puerto Rican and an effective leader when Monchito died three years ago. The renaming of 5th Avenue between 44th and 45th Streets is a well-deserved tribute to Monchito Pascualy who gave so much, and so lovingly to so many in our community. Mr. Speaker, I ask my colleagues in the U.S. House of Representatives to join me in paying tribute to Monchito Pascualy on the day of a street being renamed in his honor.

A TRIBUTE TO LOCAL HEROS

HON. JAMES P. McGOVERN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1998

Mr. McGOVERN. Mr. Speaker, on December 27, 1997, James Floyd, a part-time Plainville, Massachusetts Police Officer, responded to an accident on Mirimiche Road. Officer Floyd found a car submerged in Mirimichi Lake when he arrived at the scene. After calling for assistance, he proceeded into the freezing water to rescue any victims. He was unable at first to free Thomas Spadoni, who was trapped inside. When Officer Floyd surfaced, Officers Greg Kiff and Brian Scully were at the accident site. Officer Floyd was given a knife and able to cut the victim free. Mr. Spadoni was then given CPR by Officers Kiff and Scully, who were assisted by paramedics from Plainville and North Attleboro. Officer Floyd returned to the water to verify that there were no remaining victims in the car.

Thomas Spadoni was transported to Sturdy Memorial Hospital and then to the University of Massachusetts Medical Center. Hospital officials confirmed that Mr. Spadoni was ''clinically drowned.'' He survived only because of the heroic efforts of Officer Floyd an the other officers at the scene. When James Floyd was asked why he jumped into the water, he stated, ''It was a lot of training and instinct.''

On January 12, 1998 the citizens of Plainville honored their heroes at a special ceremony in the Wood School Library. Officer Floyd was given the Medal of Valor for actions that far exceeded expectation. The people of Plainville, as well as the citizens of Massachusetts, are indeed fortunate to have these truly dedicated public safety officers in their service.

PERSONAL EXPLANATION

HON. LUIS V. GUTIERREZ

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1998

Mr. GUTIERREZ. Mr. Speaker, in the afternoon of Monday, June 22, 1997, I was unavoidable delayed from reaching this chamber and therefore missed roll call vote number 252, the vote on the Foley amendment to H.R. 4060; roll call vote number 253, the vote on final passage on H.R. 4060, the Energy and Water Development Appropriations bill; roll call vote number 254, the vote on final passage of H.R. 4059, the Military Construction Appropriations bill; roll call vote number 255, to suspend the rules and pass H. Con. Res. 288 and roll call 256 to suspend the rules and pass H. Res. 452. I want the record to show that if I had been able to be present in this chamber when these votes were cast, I would have voted yea on each of them.

COMMEMORATING THE 25TH ANNIVERSARY OF THE SENIOR CITIZENS COORDINATING COUNCIL OF RIVERBAY

HON. ELIOT L. ENGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1998

Mr. ENGEL. Mr. Speaker, today I rise to speak in praise of a group of people celebrating the 25th anniversary of working daily to address the needs of senior citizens who live at Co-op City in the Bronx. The Senior Citizens Coordinating Council on Riverbay, Inc. has taken as its mission to seek out and develop resources and services to meet the needs of the elderly in Co-op City, to facilitate service co-ordination between agencies, to establish a safety net of services for the vulnerable elderly, to advocate for seniors at all levels of decision making, and to organize, educate and empower seniors to act on their own behalf.

This is a grass roots organization in the best sense, for it is made up of local people banding together to help themselves and others similarly situated. It was organized in 1973 as a non-profit organization to help the elderly in Co-op City, the largest co-operative community in the world with more than 15,000 apartments and 50,000 residents.

SCCC was formed shortly after Co-op City opened to help the already large number of retired and those nearing retirement who had come to live in Co-op City. SCCC has organized programs targeting the homebound elderly and operates three centers for congregate meals to help the 90 percent of the seniors in Co-op City who are in the low- to moderate-income categories.

I have worked with SCCC and find it an exemplary model of a helping organization; one that is run locally by people from the community to help their neighbors.

PERSONAL EXPLANATION

HON. MICHAEL G. OXLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1998

Mr. OXLEY. Mr. Speaker, I was unavoidably absent from the House chamber for roll call votes held the evening of Monday, June 22. Had I been present I would have voted ''nay'' on roll call 252 and ''yea'' on roll call votes 253 through 256.

PERSONAL EXPLANATION

HON. DAVE WELDON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1998

Mr. WELDON of Florida. Mr. Speaker, on June 18, my wife and I adopted a newborn baby boy and I was unable to be in Washington for votes. Due to the adoption, I missed votes on June 18, 19, and 22. Had I been present I would have cast votes as follows.

I would have voted Aye on the following Roll Call votes: 243, 244, 245, 246, 247, 248, 251, 254, 255, and 256.

I would have voted No on the following Roll Call vote: 242.

ECONOMIC GROWTH ACT OF 1998

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1998

Mr. PACKARD. Mr. Speaker, I rise in support of House Speaker NEWT GINGRICH's ''Economic Growth Act of 1998.'' As an original cosponsor of this legislation, I am proud that it will boost economic growth and offer better financial investment resources for all Americans.

The ''Economic Growth Act of 1998'' will reduce capital gains rates, simplify the tax rate by eliminating exemptions and reduce the holding period for assets. This bill is a win-win situation for all citizens. Critics have claimed that reducing taxes on investment will only benefit the wealthy. This is not the case. A 1997 Congressional Budget Office study found half of all U.S. families own assets such as stocks, bonds, businesses and real estate which encourage savings and investment. One-third of all taxpayers who reported gains or losses over a 10-year period made less than $50,000 annually. This legislation will make investment and planning more manageable for all Americans, regardless of their annual income.

Mr. Speaker, the ''Economic Growth Act of 1998'' will benefit Americans, regardless of their stage in life, if they are starting a family, sending a child to college or preparing for retirement. For too long, the threat of monetary punishment often associated with entrepreneurship has loomed over the heads of Americans, discouraging them from saving and investing. This legislation will move our economy with the changing times and interests of America's families and businesses.