# HOUSE OF REPRESENTATIVES—*Wednesday, March 22, 1989*

The House met at 3 p.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Gracious God, as You have provided for us a multitude of vocations through which we serve our days on Earth, so encourage us to express those vocations with a grace inspired by Your Spirit. In our relationships with people may we not seek profit or advantage, or use any person to gain our own benefit, but rather may we grow in our relationships based on respect, common goals, and mutual affection. This we pray. Amen.

## THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

## PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Georgia [Mr. JONES] kindly lead us in the Pledge of Allegiance.

Mr. JONES of Georgia led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation, under God, indivisible, with liberty and justice for all.

## SALUTING THE SIENA SAINTS BASKETBALL TEAM

(Mr. McNULTY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McNULTY. Mr. Speaker, we are proud of a great many things in upstate New York.

At this particular moment in history, however, we are expecially pleased to salute and pay tribute to the Siena Saints basketball team.

Siena, a very small college in Albany County, NY, last week made its first ever appearance in an NCAA tournament.

Facing 13th ranked Stanford in last Thursday's opening round, Siena was given almost no chance of survival. But the Saints proceeded to hit 54 percent from the field and made 11 3-pointers to win the game and stun the Nation.

Although powerful Minnesota eliminated Siena in the second round, the Saints had already established themselves as the Cinderella Team of 1989.

People all over the Nation were asking the question, "Where is Siena College?" Mr. Speaker, it's an honor for me to say that Siena College is located in my district—the 23d District of New York.

I know that you, Mr. Speaker, and all my colleagues join me in recognizing the tremendous accomplishments of Coach Mike Deane and all the members of the Siena Saints basketball team in the 1989 season.

## A SUGGESTED SCENARIO FOR THE S&L BAILOUT

(Ms. KAPTUR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. KAPTUR. Mr. Speaker, soon Congress will vote on President Bush's plan to bail out the savings and loan industry. This will be the biggest bailout of any industry in U.S. history. Under the Bush plan, the U.S. taxpayer is being asked to pay the lion's share of the cost, over 70 percent of the bill. Interest costs alone over the 30-year period will amount to over $115 billion. If ordinary U.S. taxpayers must pay for this debacle, it is only fair that U.S. taxpayers benefit directly from the bailout plan. To achieve fairness, the bonds that fund the bailout should be structured to benefit the American consumer and contribute to increased national savings. This can be done by offering the bonds in small denominations that are affordable to consumers. For example, "Super Saver" bonds can be designed to allow ordinary citizens to save for their own retirement or for their children's education, since the American people are going to be asked to hold our financial system together.

Mr. Speaker, why should the American people not earn 10 percent interest on holding these bonds, rather than money changers on Wall Street or foreign investors? Since the American people are going to be asked to hold our financial system together, Congress should place these bonds squarely in the hands of the American people.

## IN OPPOSITION TO THE TECHNOLOGY GIVEAWAY ON THE FSX TO JAPAN

(Mr. LEWIS of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEWIS of Florida. Mr. Speaker, I rise today in strong opposition to the proposed agreement between the United States and Japan to codevelop the next-generation FSX fighter.

Even with the recent modifications this agreement is not, as its supporters argue, a harmless way to help Japan provide for its own defense. Rather, this agreement is just another giveaway of some of our Nation's most important and advanced technology.

Free trade is one thing. A free ride is something altogether different, and Japan seems to be getting more than its share of free rides these days.

Over the last decade, the aerospace industry has had the largest positive balance of trade of any American industry.

Japan, on the other hand, has a small aerospace industry, but has publicly announced its intention to become a world leader.

Talk about cutting corners. They want to get there with our scientists, our experience, and our facilities.

If the Japanese want a fighter to protect themselves, let them buy our F-16. After all, it is the best in the world.

And, if they want to establish a foothold in the aerospace industry, let them do it the way we did it, the old fashioned way.

Let them earn it.

## FOREIGN ECONOMIC DOMINATION COSTS AMERICAN JOBS

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute).

Mr. TRAFICANT. Mr. Speaker, nearly 10 million Americans have lost their jobs from plant closings and layoffs in the last 5 years. Many of these job losses are the direct result of two things: No. 1, the scourge of foreign ownership in this country, and No. 2, the growth of multinational American investments overseas.

Many of us can remember that when we were kids, we here in America seemed to hold all the cards. Today we do not even know what the wildcard is, and foreign companies hold the trumps. In fact, it is getting to the point here where our foreign competitors are buying us out at bargain basement prices. The truth is that we here in America are beginning to rent back foreign-owned property on American soil.

How many of us in the House remember that when we were kids, we



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had a Wilson baseball glove? Well, the fact is that is now owned by the West Germans. The same goes for Firestone. Firestone is now owned by the Japanese.

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Remember RCA? They used to bring us the Yankees. Well, they are owned by a company from Finland.

Mr. Speaker, the truth of the matter is, if our kids want to own a piece of the rock, they are going to have to buy it from Japan or import it like everything else around here.

Mr. Speaker, I think it is time we act on trade and take a look at our own workers and our own country's investment.

## PAYING HONOR TO THE MEN AND WOMEN OF THE FIRE AND EMERGENCY SERVICE SYSTEMS

(Mr. WELDON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WELDON. Mr. Speaker, the sleeping giant in America has awakened. The 3 million men and women who make up the backbone of the fire and emergency service system in this country have finally awakened the need to address the concerns they have with their Federal legislators. They have impressed upon 310 of our colleagues to join with me in forming what is now the third largest caucus of Members in this body to deal with life safety issues.

Mr. Speaker, on April 12 in this city we will hold the first ever national dinner for 2,500 of these leading officials from across America who will join with us in paying honor to those 8 leaders in this body and the other body that have helped us address safety concerns. This morning President George Bush accepted my invitation to be our keynote speaker.

Mr. Speaker, I ask my colleagues to join with me and with all of us and these 2,500 people from throughout America as we honor Senator AL GORE, Senator JOHN MCCAIN, the gentleman from Pennsylvania [Mr. WALGREN], the gentleman from New York [Mr. BOEHLERT], our Speaker of the House, the gentleman from Texas [Mr. WRIGHT], the minority leader, the gentleman from Illinois [Mr. MICHEL], the leader of the Senate, GEORGE MITCHELL, and the ranking Republican Senator BOB DOLE, as we pay respects to the fire and emergency service system in this country and begin a process of addressing their concerns.

## THE MINIMUM WAGE SHOULD BE A LIVING WAGE

(Mr. POSHARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. POSHARD. Mr. Speaker, since 1981, millions of American workers have been trying to live on $3.35 an hour. If that wage had been adjusted for inflation, those workers would now be earning $4.58 an hour.

Even that wage, Mr. Speaker, would not be a living wage. Who among us could buy or rent a home, pay for a car, educate their children, buy medical insurance, pay utility bills; in short, who among us could support their family on a minimum wage which is not a living wage.

Mr. Speaker, make no mistake about it, for millions of adult breadwinners, the minimum wage is the only wage they have to provide a living for themselves and their families.

I urge all of my colleagues to support H.R. 2 to provide our workers with a raise they both need and deserve.

## TIME FOR A HOUSE DRUG COMMITTEE

(Mrs. MARTIN of Illinois asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. MARTIN of Illinois. Mr. Speaker, according to a Gallup-Times Mirror Poll released this month, the American people consider drugs to be our Nation's most serious problem. In fact, 69 percent of the people feel we are losing ground in the war on drugs.

Last year we responded with an omnibus drug bill that contains a variety of new weapons to deploy in that war. And we even created a new Cabinet-level Drug Czar to spearhead that offensive. I have every confidence that Bill Bennett will do an excellent job in that capacity.

Now I would appeal to my colleagues to give this House the same kind of single focus on this monstrous problem that we have given the executive branch. Today we have some 53 House committees and subcommittees having some legislative jurisdiction over the drug problem, plus a nonlegislative select committee.

Today I am introducing a resolution to reconstitute that select committee as a standing Committee on Drug Abuse and Control with both legislative and oversight authority. Under my resolution, other committees would not lose their jurisdiction, but drug bills would first go only to the drug committee, and the Speaker could refer them to other committees for limited periods only after they are reported by the drug committee.

The Rules Committee chairman has promised a hearing and recommendation on this proposal. I appeal to my colleagues to cosponsor this effort and give Congress the same laser we have given the Executive to remove this awful cancer from our land. Let's put aside committee turf for a change—a change that can contribute significantly to eradicating the drug scourge.

## FSX DEAL WITH JAPAN SHOULD BE REJECTED

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, first we lost the electronics edge to Japan. Then we lost the semiconductor edge. We are in the process of losing the high-definition TV. Now we are about to lose the high technology age edge.

Mr. Speaker, the FSX deal with Japan makes no sense and should be rejected. Republicans and Democrats are against this sale. The aerospace industry, both civil and military, is an area in which the United States has no equal. We have invested in the research and development of new technology. Our production capability is unmatched. In 1987 our aerospace exports constituted $24 billion, nearly 10 percent of total U.S. export volume. This is one advantage our Nation cannot afford to jeopardize.

Mr. Speaker, the FSX deal would do that. It would give away our technology for free. The foreign policy reasons are not justified. This is a bad deal and should be rejected.

## FSX DEAL—GIVING OUR TECHNOLOGY AWAY

(Mr. BURTON of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURTON of Indiana. Mr. Speaker, I find myself in agreement with the gentleman from New Mexico [Mr. RICHARDSON] who just spoke, and this is a rare occasion, and I am very happy for it.

Mr. Speaker, the Pentagon is very concerned over the new Soviet submarine technology. Part of the Soviet submarine success is due to the computer controlled milling devices sold to the Soviets by the Japanese firm of Toshiba, and we gave them that technology. The United States will have to spend an estimated $30 billion to regain our submarine superiority because of this mess-up.

Mr. Speaker, the reason I bring this up is because of the pending agreement to transfer United States aircraft technology to Japan in order for the United States and Japan to jointly develop a new FSX fighter plane. This deal is being agreed to with almost no

consideration of its long-term impact on United States industry and its impact on our trade deficit with Japan.

Mr. Speaker, we have the best aerospace industry in the world, and we are going to give our technology away? It does not make sense. I do not agree. Why not let the Japanese buy our F-16's? It is a better deal for America, and we would not risk giving away our technology that might find its way once again into the Soviet's hands.

## WHEN ARE WE GOING TO WAKE UP?

(Mr. DORGAN of North Dakota asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORGAN of North Dakota. Mr. Speaker, we have a nearly $60 billion trade deficit with the Japanese. That means they sell us about $60 billion more than they buy from us.

Mr. Speaker, the Japanese want to buy some jet fighter planes. We make the best in the world, so the Japanese buy them from us? "No," they say, "what we'd really like is we'd like your technology, America, and we'll build them here in Japan and leave the jobs in Japan."

Mr. Speaker, our President says that is just fine with him. Well, it is not fine with a lot of us.

The question is: When are we going to wake up in the world of trade? We buy 3.4 million in cars and light trucks from Japan because they make good cars and light trucks. We should expect that if Japan wants jet airplanes, they buy jet airplanes from us because we make good jet airplanes.

Now we used to be known as the shrewd Yankee traders in America for a couple of hundred years, but I think this FSX decision and our trade policies generally in the last 8 or 10 years demonstrate that we are not shrewd Yankee traders anymore. We can be characterized more as the faint-hearted and the shortsighted in world trade.

Mr. Speaker, it is time for us to stand up for this country and demand fair trade with all countries including the Japanese.

## INTRODUCTION OF THE CHILD CARE INCENTIVES ACT OF 1989

(Mrs. ROUKEMA asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. ROUKEMA. Mr. Speaker, tomorrow I am introducing the Child Care Incentives Act of 1989. This bill serves as an alternative to the costly and competing proposals put forth by both parties to date.

I believe that this bill will provide a necessary measure of choice for parents in their child care decisions while keeping in mind another problem of equal importance to the Federal Government—the budget deficit. We seem to be throwing all caution to the winds.

I cannot understand why the Democrats and the Republicans have entered this bidding war through the various child care proposals now before Congress. We have only begun the debate on how the Federal Government can best enter the child care arena and already we are considering legislation costing billions of dollars.

Both President Bush's plan and the Act for Better Child Care [ABC] have cost estimates of well over $2 billion. This has indeed become a high stakes game. We must remember, too, that these cost estimates are only the starting point. Of course, once these plans are in place, costs will escalate and there will be irresistible pressure to expand the programs. Before we set off on another spending spree, we must find ways to meet our current obligations and reduce our debt. Let us instead seek ways to improve on existing programs before we embark on any new broad-stroke, expensive, and untried plans.

I believe the bill I am introducing, The Child Care Incentives Act of 1989, strikes the proper balance between our Nation's critical child care needs and the fiscal responsibility of Congress. This bill will keep child care issues in the domain of State and local authorities who have a better view as to the needs of their working families. The role of Congress in this legislation is one of encouraging innovation and providing seed money to local governments and grants to States so they may improve programs to meet local mores and needs. This bill better reflects the proper role of the Federal Government in child care by directing responsibility to the State and local level. It is a prudent approach to the child care problem in light of our fiscal predicament.

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## PENTAGON WASTE

(Mr. DEFAZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEFAZIO. Mr. Speaker, yesterday the Pentagon wasted $23.7 million. Now, that is not news. That is really nothing compared to some of the other waste going on in the Pentagon; however, I could not help think as I watched that D-5 Trident II missile cartwheel out of control and explode in a very expensive display of pyrotechnics, that there is a lot better way to spend $24 million and a lot better way to make America more secure.

How many homeless could be housed for $24 million? My State received only $5 million of McKinney homeless money last year. How many school lunches could be served for $24 million?

But that $24 million pales in the face of the proposal to take 9 Trident submarines out of service, submarines equipped with C-4 missiles, missiles that work, take those submarines out of service, rip them apart, equip them with this new cartwheeling skyrocketing D-5 for a mere $6 billion.

Later this year, Mr. Speaker, we will have an opportunity in this House to save that $6 billion, money we cannot afford, and to make America more secure by stopping the D-5 missile and stopping the retrofit of those submarines.

Mr. Speaker, I urge my colleagues to join with myself and the gentleman from New York [Mr. WEISS] who has offered this amendment year after year, and this year let us save the money and do something to make sense for America and for our national defense.

## DO SOMETHING ABOUT TERRORISM

(Mr. BARTON of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARTON of Texas. Mr. Speaker, recently we have witnessed several terrorist attacks on our citizens. The most recent acts of terrorism we have witnessed are the bombing of a Pan American airliner and the Ayatollah Khomeini's ruthless demand for the execution of Salman Rushdie. According to the FBI, 50 percent of the international terrorist incidents since 1968 have been directed at Americans.

We cannot forget the continuing danger our country faces from a terrorist attack. Most Americans would be disturbed to know that we continue to extend official most-favored-nation preferential trade status to nations that support terrorism.

Our State Department already lists those nations which are shown to be consistent supporters of international terrorism. This list includes Libya, Syria, and Iran. We should not allow such countries trade preferences when their governments condone and support terrorist attacks aimed at Americans.

Yesterday, it was my honor, along with the very distinguished chairman of the Interior Committee, Mr. UDALL, and over 65 original cosponsors from both parties and every region, to introduce the Anti-Terrorism Act of 1989. This bill would deny MFN status from those nations who support terrorism, as identified by the U.S. State Department.

We cannot continue to support terrorist countries. I urge all of my col-

leagues concerned about terrorism to cosponsor H.R. 1515, and work with Congressman UDALL and myself to enact this much needed legislation.

## INTRODUCTION OF INFANT MORTALITY PREVENTION ACT

(Mrs. KENNELLY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. KENNELLY. Mr. Speaker, I am pleased to introduce today the Infant Mortality Prevention Act for young babies in this country, because the facts are that more babies per thousand live births in the United States die from low birth weight than in 21 other industrialized nations.

The awful thing is that many of these tragedies could be prevented, but are not, because these mothers do not know about prenatal and maternity care, or they cannot afford it.

The agencies in our various communities that are working to prevent infant mortalities are overwhelmed and underfunded.

The legislation that I am introducing today would increase title V, the maternal and child health services block grant; but more importantly, what this bill would do would be to have structured planning services concerning maternity and infant mortality, building on what we already know about infant mortality.

Ironically, we pay dearly for the dollars we refuse to spend on upfront preventive care for infants. We are now spending $638 million under Medicaid to pay for neonatal intensive care after this low birth weight baby is born. That figure could be reduced to $90 million, Mr. Speaker, with proper prenatal care.

I urge my colleagues to join me to prevent this alarmingly high death rate for low birth rate babies, for the newborns of our country. We are ashamed of this situation and it is time we began to do something realistically about it.

## REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 2, FAIR LABOR STANDARDS AMENDMENTS OF 1989

Mr. OXLEY. Mr. Speaker, due to staff error, I have been listed as a cosponsor of House Report 2 since March 15. I ask unanimous consent that my name be removed as a cosponsor of House Report 2.

The SPEAKER pro tempore (Mr. MONTGOMERY). Is there objection to the request of the gentleman from Ohio?

There was no objection.

## QUESTIONS FOR THE NEW REPUBLICAN WHIP

(Mr. ALEXANDER asked and was given permission to revise and extend his remarks and to include extraneous material.)

Mr. ALEXANDER. Mr. Speaker, after arriving at the Capitol a few minutes ago on this glorious spring day, I learned that our colleagues on the other side of the aisle have conducted an election for minority whip resulting in the election of the gentleman from Georgia [Mr. GINGRICH] as minority whip. I wish to offer my congratulations to the gentleman from Georgia and look forward to the debates during the months ahead that may ensue.

I would note to those who are observing that the gentleman from Georgia made his name, so to speak, by a sustained personal attack on the good name of JIM WRIGHT, the Speaker of the House of Representatives who has devoted decades of meritorious service to our country. The gentleman from Georgia alleged that the Speaker has circumvented minimum income limits of Members of Congress by writing a book for which he received a royalty.

Now, it is also to be noted that just this week it was learned that the gentleman from Georgia [Mr. GINGRICH] also allegedly has a book deal. It is alleged in the Washington Post this week that the gentleman from Georgia received a royalty or a payment in the nature of a royalty. This is apparently similar to the WRIGHT arrangement which is the basis of the gentleman from Georgia's complaint before the Ethics Committee.

The SPEAKER pro tempore (Mr. MONTGOMERY). The Chair would state to the gentleman that he cannot make personal references, as the gentleman has done in his remarks.

Mr. ALEXANDER. But I have a paper here, copies of which are to be found in the classroom, that asks certain questions to the gentleman to whom I referred, which I think he should publicly answer for all of the Members of this House and for all of the American people who have observed his assertions against Mr. WRIGHT.

Finally, I am shocked by this alleged book deal and look forward to the reply to the following questions.

I wish to emphasize that the gentleman from Georgia should be treated fairly and should be given every opportunity to provide an explanation in this matter.

The letter and article referred to follow:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
*Washington, DC, March 20, 1989.*

Hon. NEWT GINGRICH,
*U.S. House of Representatives,*
*Washington, DC.*

Dear MR. GINGRICH: The revelations printed by Charles R. Babcock in this morning's Washington Post raise a number of questions about the arrangement you and your wife set up to promote your book "Window of Opportunity." The article indicated that, despite 6 months of inquiries you have failed to provide information concerning several key aspects.

Who were the members of the limited partnership? What were their partnership contributions? Did your wife receive a partnership interest without any financial contribution to the partnership? How much did each contribute? Did any of these individuals have an interest in legislation or receive any government contracts?

How and by whom were the partners solicited? How many of them were contributors to or involved in raising funds for your campaign? Were any GOPAC funds spent in relation to the book?

What were the terms of the partnership and royalty agreements? Where was the limited partnership filed? Were the transactions of the partnership disclosed on your financial disclosure?

Was there ever any discussion with all or any of the partners of the possibility of using the investment in your book as a tax write-off?

How much money was raised by the partnership, and how much has been spent and for what purposes?

Did you travel to promote the book? How were these trips paid for? Did any of the trips also have a campaign purpose?

What was the nature and extent of your and your spouse's work on the book? Were any government resources used to produce, publish, or market the book?

What actions were taken by you, your publisher, or any other party to increase the sale of your book?

What is the disposition of the remaining funds reportedly not spent on promotion?

How much money were you or your wife paid or reimbursed and what services did each of you render for those payments? Was her interest in the partnership disclosed on your financial disclosure? What have been the tax benefits of this partnership to you and your wife as well as to the other partners?

Do you have copies of all correspondence between you or your wife and the publisher or partners and are you willing to disclose them publicly?

It was also pointed out in the Washington Post that there was an earlier partnership with regard to a book that was established in 1977. Please supply the same information relative to that book and partnership as well as any other book you have authored or contributed to.

As you are well aware these facts bear upon compliance with the Rules of the House, financial disclosure requirements, the Federal Election Campaign Act and matters relating to the Internal Revenue Code.

We would appreciate your prompt response.

Sincerely,

BARNEY FRANK.
MARTIN O. SABO.
LAWRENCE J. SMITH.

[From the Washington Post, Mar. 20, 1989]

GINGRICH'S BOOK VENTURE—UNUSUAL PARTNERSHIP GAINED TAX BENEFITS

(By Charles R. Babcock)

Rep. Newt Gingrich (R-Ga.), who spurred the ethics investigation of House Speaker Jim Wright (D-Tex.) and focused attention on Wright's 55 percent book royalties, has an unusual book arrangement of his own.

When Gingrich and his wife, Marianne, wrote the nonfiction book "Window of Opportunity" with David Drake in 1984, they signed a contract to share a standard 10 percent hardcover royalty. But they also took the unusual step of setting up a limited partnership, which raised $105,000 from Republican political activists and business people around the country, to promote sales of the book. Normally, a publisher pays for promotion.

The idea, Gingrich said in an interview late Friday, was that a large publicity budget could "force a best seller, I was real naive."

The 21 investors in the COS Limited Partnership each put up $5,000 and were to split half of the publisher's profits. But sales of the book were modest, and there were no profits. The publisher, Jim Baen, of Baen Enterprises, lost money on the venture. This created a tax benefit for the partners.

Gingrich did not have a share of the partnership, but his wife, Marianne, said in an interview yesterday that she has been paid close to $10,000 by the partnership for her work as general partner. She said she put no money into COS but got a 2 percent share and thus a portion of the tax benefits from the partnership's continuing annual losses.

The congressman said the partnership was his idea. It spent $70,000 for promotion. Nearly $6,000 of the other $35,000 remains, Marianne Gingrich said, with the rest of the money going to her and for legal, accounting and other costs.

Baen, who did not know Gingrich before he met him at a conference on space and technology, said he has not entered into such a promotion partnership before or since and did not know of another like it in the publishing industry.

Gingrich is running for election this week to replace former representative Dick Cheney (R-Wyo.), the new secretary of defense, as Republican whip, the second-ranking GOP leader in the House. Gingrich asked Friday if he could delay detailed responses about the partnership because it would be to his "disadvantage" to have a story appear before the whip election saying that he had a book deal "equally as weird as Jim Wright's."

Gingrich was first queried about the partnership arrangement last August, but only recently began providing documentation. In agreeing to answer detailed questions, he said his publishing venture differed from Wright's. "We wrote a real book for a real company that was sold in real bookstores," he said.

House Democrats attacked Gingrich last year, in the wake of the Wright investigation, for a previous book partnership he set up in 1977. That partnership advanced him $13,000 to write a novel that was never published. The partners received tax benefits from participating in the venture.

Marianne Gingrich said she did not have ready access to accounts of exactly how the $105,000 in the COS partnership was spent. She estimated that she received close to $8,000 initially to help set it up and another $1,500 recently for other work.

She said she could not furnish a complete list of the partners until she had contacted them. In describing the investors, she said, "One of the reasons they contributed is that they have been active in Republican politics and agreed with Newt's message." She said only one partner, a now-deceased supporter from her husband's congressional district, also had invested in the first partnership.

Gingrich said in a separate interview that about half of the investors were donors to his campaigns while others were business people around the country he had met during talks about his view of the future. "A number were nominally Democrats," he said.

Baen, the publisher, said "Windows of Opportunity" would have had to sell another 50,000 copies before profits rose sufficiently for the partners to recoup their initial investment.

Asked if the promotion partnership was a realistic business venture, Gingrich likened it to a wildcat exploration well than to gilt bonds." He added that the investors also may have been attracted by the tax benefit they stood to gain if the venture failed.

One of the investors was former representative Howard (Bo) Callaway (R-Ga.), who is now chairman of GOPAC, a political action committee Gingrich has been active in that raises money for Republican candidates in state and local races. Callaway said in an interview that he accepted Gingrich's invitation to investment because he believed in the book's message and thought "it might make some money."

"Newt made clear it wasn't a guaranteed thing . . . He in no way misled us on that," Callaway said. "It was sort of like backing a play on Broadway. It might turn out to be "My Fair Lady" or it might go broke. It was just something I thought should have been published. I was glad to help get it started."

Gingrich said that Pierre S. (Pete) du Pont IV, former Republican governor of Delaware and a GOPAC activist, was willing to pay for the entire promotion budget but that Gingrich wanted to spread it among a number of individuals.

A 22nd COS partner, Janet Morris, got her share by editing the book rather than paying $5,000. Marianne Gingrich said this was the way Morris preferred to be paid. Morris said the congressman persuaded her to accept a share of the partnership for part of what she was owed.

The 272-page hardcover version of the book sold for $14.95 and was rushed to come out just before the 1984 Republican National Convention in Dallas. At the time, Gingrich was trying to publicize a movement he called the "Conservative Opportunity Society."

Although the book lists three authors, it is filled with first-person anecdotes about Gingrich's views of the opportunities—offered by advances in space, computer and other technologies—for improving life in America.

"It was too serious to be profitable, and the Teamsters literary society didn't buy it," Gingrich said. This was a reference to disclosures that the Teamsters union bought 2,000 copies of Wright's book, "Reflections of a Public Man."

The House ethics committee is investigating whether such sales to interest groups represented a way to give Wright income while evading House limits on fees for speeches and appearances.

Five thousand copies of Gingrich's book were sold for about $2 each in "special sales," according to the publisher. Asked about this, Gingrich said that the "Conservative Book Club or something like that" bought some copies at the reduced price.

Another issue in the Wright inquiry is the use of a staff aide to help compile the book. Gingrich said he wrote the first draft himself and then asked staff members to read chapters and offer suggestions.

Publisher Baen said, after checking figures from his office, that royalties paid on the book through last June totaled about $26,000, including the $13,000 in advances he paid the three authors. He paid Gingrich and his wife $5,000 each in advance; Drake received $3,000.

Under the contract, the Gingriches were to get 80 percent of the royalties, and Drake was to get 20 percent. Gingrich reported on his financial disclosure statement for 1987, the most recent available, that he and his wife received at least $5,000 each in royalties that year.

Baen, whose firm publishes science fiction and books on high technology, said the entire $70,000 promotion budget was spent. Most of it went for advertising in The New York Times and Publisher's Weekly, and in cities where the distributor, St. Martin's Press, was selling the book. Some of the money also went for Gingrich's travel expenses to promote it.

Despite the heavy promotion, sales of the book "were not gratifying," Baen said. It sold about 12,000 hardcover copies and another 17,000 in paperback editions and other sales.

"The crucial single point," Baen said, "is that this was a serious book that had a serious advance and the standard industry royalty agreement, and that it earned that advance in royalties and then some, but not much."

Drake, the third author, said the size of the promotion budget "should have put the book on The New York Times best-seller list. But the money might as well have been burned in the parking lot."

## A FAIR AND HONEST CAMPAIGN FOR REPUBLICAN WHIP

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I had not intended to make a 1-minute speech, but in view of the remarks of the gentleman from Arkansas, I am compelled to at least say this: The gentleman from Georgia ran in a race for whip on our side in a very tight race, he ran a gentlemanly like campaign, and he won it on its merits. I might have had my own candidate, no question about that. Everyone knew that I was supporting the gentleman from my home State of Illinois. I had no alternative; but when we have a free and open debate, the kind of thing I would like to have happen more frequently here on the floor of the House, particularly when it comes to rules and a few other things, then I have to say quite frankly the gentleman from Georgia will have an opportunity to prove himself, and yes, we will have to answer for our records of the past. We also have a record for the present and the future.

In my judgment, the gentleman won the fight fair and square. It will be his responsibility, obviously, to deport himself in the kind of manner and fashion in which I am sure he is capable of doing on the floor of the House.

Mr. ALEXANDER. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. Yes; I yield to the gentleman from Arkansas.

Mr. ALEXANDER. Mr. Speaker, I thank the gentleman for yielding to me. I hope that is the case.

Meanwhile, there are many of us on this side of the aisle who would like some questions answered concerning the nature of the financial arrangements of the book deal that was published this week in the Washington Post.

I thank the gentleman for yielding.

□ 1530

## BAHAMIAN GOVERNMENT COOPERATING WITH COCAINE CARTEL, NOT STATE DEPARTMENT

(Mr. FEIGHAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FEIGHAN. Mr. Speaker, directing my remarks to our President, let me say this: President Bush, earlier this month you sent us a report which certified that the Government of the Bahamas was "fully cooperating" with official United States efforts to keep drugs out of our country.

You knew, at the time, that was wrong.

Today, Mr. President, your own district attorney in Jacksonville said "you're wrong." An indictment unsealed this morning charged that officials at the highest levels of the Bahamian Government are cooperating not with the State Department, but with the cocaine cartel itself.

Mr. President, the evidence collected in Florida shows that you have another General Noriega on your hands. His name is Lynden Pindling.

The question is: What are you going to do about it?

Today I am introducing legislation which disapproves your certification of the Bahamas. Prime Minister Pindling and his cronies aren't cooperating with us in the war on drugs; they're conspiring with the enemy.

Mr. President, it is time to recognize this fact. It's time for you to follow through on your commitment to stop the scourge of drugs. It's time to stop the kid-gloves treatment of corrupt foreign leaders who help ship drugs to our shores.

## DEMOCRACY IS WORKING IN EL SALVADOR

(Mr. ROHRABACHER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROHRABACHER. Mr. Speaker, I was in El Salvador on Sunday, at polling places in the capital and in the countryside, and I can testify that despite Communist threats and terror, the Salvadoran elections were free and fair.

In the United States, however, the grist mills of the left are working to delegitimize the democratic process in El Salvador in a brutal and mostly untruthful attack on Arena, the winning party in the El Salvador election.

I saw a free and fair election in El Salvador; I saw a country ready for peace. Hope hung in the air in these elections, hope for peace and stability and freedom. Arena, which has been less than temperate in the past, is serious about human rights and is serious about bringing the guerrillas into the democratic process, which is key to a peaceful solution to the conflict that plagues their country.

The new, duly elected leaders of El Salvador must have a chance to lead their country toward peace, prosperity, and freedom. We must give them a chance to demonstrate that they are serious about peace and democracy. We must not answer the free and fair elections in that fledgling democracy in withdrawing support from the clear winners. Democracy is working in El Salvador. We must continue to support it.

## INTRODUCTION OF AVIATION CAREER IMPROVEMENTS ACT OF 1989

(Mrs. BYRON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mrs. BYRON. Mr. Speaker, over the next decade, the United States is likely to face a critical shortage of pilots in the wake of both a sustained, postderegulation expansion of the civilian airline industry and a dramatic surge in retirements within the current civilian pilot force. As a result, the airline industry is expected to go on an unprecedented hiring binge that will have serious national security and Defense budgetary implications. The armed services have traditionally been the major training ground for the commerical airlines; ex-military pilots, in fact, comprise 77 percent of the commercial pilot inventory. At an average training cost between $2 to $6 million per pilot, depending on the weapon system, the Nation can ill afford that valuable resource drain.

Pilot retention is one of the top items on the agenda for the Subcommittee on Military Personnel and Compensation this year. We have already had four closed door sessions with groups of pilots, two of them in the field, to get the full picture—firsthand—of what drives a pilot to leave or to stay in the service. Today Congressman HERB BATEMAN, the ranking Republican member of the subcommittee, and I are introducing a companion bill of S. 653, the Aviation Career Improvement Act of 1989, introduced last Friday by Senator GLENN and Senator MCCAIN, our counterparts on the Senate Manpower and Personnel Subcommittee.

I want to commend the Senators and their staffs for the outstanding job they have done in putting this legislation together. While we may make some modifications, based on additional feedback as we approach markup, this legislation clearly represents a framework within which we all can work to stem the current loss of pilots to the airlines before it becomes an irreversible hemorrhage of talent.

## EL SALVADOR VOTERS PAYING FOR THE PRIVILEGE OF DEMOCRACY WITH THEIR LIVES

(Mr. COX asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COX. Mr. Speaker, in America we take democracy for granted, but in El Salvador, people are paying for the privilege to vote with their lives.

Last Sunday, more than 50 percent of El Salvadoran voters braved terrorist threats and attacks to cast their ballots for a new President. It was a moving experience for me to see ordinary people take such risks to assert their right of self-government.

Mr. Speaker, when invited to be part of an international delegation observing the Salvadoran elections, I was warned it would be dangerous to go. Marxist terrorists of the FMLN have cut power lines, and they blow up cars and buses. Worse, they are terrorizing and killing people who wish to vote. Just last week, they machinegunned in cold blood a former Jesuit of Salvadoran origin who had taught at California State University where I come from.

Although the Marxists pledged to make voting impossible and to see to it that no international observer was safe, I decided to go. I did so because of what American support for democracies in Central America has meant. Whatever danger I endured I knew would be small compared with the daily sacrifices made by El Salvadoran families.

On the evening before the vote, I met with Alfredo Cristiani, the newly elected President of El Salvador. A Georgetown University graduate, he is a soft-spoken man, who insisted that he wants to work out a settlement with the guerrillas, by negotiation if possible, by force if necessary.

Mr. Speaker, Americans must support the fledgling democracy in El Sal-

vador and show no tolerance for the terrorists who threaten the lives of innocent voters. Latin America is the testing ground for our dedication to our founding principle of self-government. It is up to all of us to prove worthy of our principles.

## FAILED TRIDENT II MISSILE TEST

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, I rise today to reflect on the dramatic misfiring of the Navy's first undersea test of the highly touted Trident II missile.

Champions of the Trident II have bragged repeatedly about the weapon's sound technology and efficient management. But yesterday's failed test is only the latest in a pattern of poor performance by the Trident II. In fact, roughly 25 percent of this system's tests have failed. Some efficiency!

But there are even more important reasons for opposing deployment of the Trident II missile. It carries a $50 billion pricetag, and it will transform our submarine-based nuclear force from a perfectly good Trident I retaliatory weapon into a dangerously destabilizing first-strike system. The Trident II is accurate and powerful enough to break through the hardened silos of Soviet land-based ICBM's. Since the flight time of the Trident II is only about 15 minutes, the Soviets would be inclined to adopt a "launch-on-warning" response to a perceived attack, greatly increasing the risk of accidental nuclear war.

Given yesterday's failed test, and the intense pressure to reduce the defense budget, now is the time to save the taxpayers billions of dollars while keeping our nuclear deterrent strong. Let us cancel the Trident II.

## WHY ARE WE STILL SUBSIDIZING THE DEFENSE OF EUROPE AND JAPAN?

(Mr BRYANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRYANT. Mr. Speaker, the House of Representatives is facing a series of extremely serious choices with regard to our Federal budget.

Valuable programs are being pitted against each other as we determine what our national priorities will be.

Mr. Speaker, I think we are glad for the "kinder and gentler" comments of President Bush, but Members of this House would like to have from him more specifics than we have been given about where he wants the cuts to be made, cuts that he says will have to be made if we are to balance this budget.

Mr. Speaker, before we cut the Medicare budget, the farm program, the INS budget that pays for Border Patrol agents or other critical areas of our Government which the President proposes to cut, I think we Americans should ask this question: Why is it that 45 years after World War II we are still paying the cost of subsidizing the defense of Europe and Japan?

□ 1540

Americans today pay over $1,000 a year apiece to defend the Western Alliance, while the Europeans pay only about $300 a year apiece and the Japanese only $100 a year apiece. These regions are well able to pay their own bills. We are borrowing money from them to finance our deficit, and sending it back to them in the form of a gift, the subsidy of their defense burden. It is a burden they ought to begin to take up.

Mr. Speaker, I think all of us would join in saying to the President, before we start talking about cutting the muscle and the sinew out of the Government of the United States, let us talk about getting Europe and Japan off of the payroll of the American taxpayer. Forty-five years after World War II it's time for Europe and Japan to pay the cost of their own defense.

## THE HOSTAGE TAKING OF AMERICA

(Mr. BILIRAKIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BILIRAKIS. Mr. Speaker, I stand here today before my colleagues wondering how America has become the principal client of the international terrorists market. Just last week, against astounding odds, our inspectors discovered two Chilean grapes laced with cyanide and I thank God for their discovery. However, the revelation forced the United States to ban its importation of Chilean fruit and jeopardize the economic stability of one of the major industries of another sovereign nation.

How did the terrorist gain such prominence in the world? The simple, yet insidious, act of the grapes affected trade between two nations so swiftly and effectively that it would put even the best trade negotiators to shame. This my friends cannot be allowed. When the public is deeply concerned about its own safety when it travels—we must act. When our food supply is threatened—we must act. When innocent men are held indefinitely in the Middle East or writers are condemned to death by fanatical leaders—we must act.

I encourage the media to pay no more attention to terrorist acts than is absolutely necessary to report the news—let us not give them a stage upon which to perform and let's not allow our resolve to falter by dealing with these criminals but pursue them with all the vigor we can muster with a truly long arm of the law.

## FILLING EXISTING MINORITY EMPLOYEE VACANCY

Mr. MICHEL. Mr. Speaker, by direction of the Republican Conference, I offer a resolution (H. Res. 114) filling an existing vacancy in minority employees authorized pursuant to the Legislative Pay Act of 1929, and ask unanimous consent for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER pro tempore (Mr. MONTGOMERY). Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 114

*Resolved*, That pursuant to the Legislative Pay Act of 1929, as amended, the sixth of the minority employees authorized therein shall be Alan M. Kranowitz, effective March 22, 1989, (to fill an existing vacancy) until otherwise ordered by the House, to receive gross compensation pursuant to the provisions of House Resolution 119, Ninety-Fifth Congress, as enacted into permanent law by section 115 of Public Law 95-94.

The resolution was agreed to.

A motion to reconsider was laid on the table.

## PROVIDING FOR CONSIDERATION OF H.R. 2 FAIR LABOR STANDARDS AMENDMENTS OF 1989

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 111 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 111

*Resolved*, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2) to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate and for other purposes, and the first reading of the bill shall be dispensed with. All points of order against consideration of the bill for failure to comply with the provisions of clause 2(l)(6) of rule XI are hereby waived. After general debate, which shall be confined to the bill and which shall not exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider the amendment

in the nature of a substitute recommended by the Committee on Education and Labor now printed in the bill as an original bill for the purpose of amendment under the five-minute rule and said substitute shall be considered as having been read. No amendment to said substitute shall be in order except those amendments printed in the report of the Committee on Rules accompanying this resolution, said amendments shall be considered in the order and in the manner specified, and shall be considered as having been read. Each amendment may only be offered by the Member designated in the report, or his designee, and shall be debatable for the time specified in the report, equally divided and controlled by the proponent and a Member opposed thereto. No amendment shall be subject to amendment except as specified in the report. The amendments in the nature of a substitute to be offered by Representative Goodling of Pennsylvania, and Representative Murphy of Pennsylvania or Representative Ridge of Pennsylvania or Representative Robinson of Arkansas, shall be in order although amending portions of the committee amendment in the nature of a substitute made in order as original text by this resolution already changed by amendment. If more than one of said substitute amendments is adopted, only the last such amendment which is adopted shall be considered as finally adopted and reported back to the House. The amendment to be offered by Representative Miller of California shall be in order, notwithstanding any rule of the House. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore (Mr. MONTGOMERY). The gentleman from Massachusetts [Mr. MOAKLEY] is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from New York [Mr. SOLOMON], pending which I yield myself such time as I may consume.

Mr. MOAKLEY. Mr. Speaker, House Resolution 111 is a modified open rule providing for the consideration of H.R. 2, the Fair Labor Standards Amendments of 1989.

The rule provides for 2 hours of general debate to be equally divided between the chairman and ranking minority member of the Committee on Education and Labor.

The rule waives the provisions of clause 2(l)(6) of rule 11 against the consideration of the bill. This provision prohibits the consideration of a bill until the report has been available for at least 3 days. Mr. Speaker, since the report on H.R. 2 was filed just 2 days ago, the waiver is required to permit the bill's consideration.

Mr. Speaker, under the rule the amendment in the nature of a substitute recommended by the Education and Labor Committee is to be considered as original text for the purpose of amendment.

The rule also makes in order three amendments to the committee substitute, the first is the amendment in the nature of a substitute which may be offered by Representative GOODLING. The second amendment, also a substitute, may be offered by Representative MURPHY, Representative RIDGE, or Representative ROBINSON. Each of the first two amendments is to be debatable for up to 1 hour.

If both substitute amendments are adopted, only the second one shall be considered to be adopted and reported back to the House.

The third amendment in order under the rule is an amendment which may be offered by Representative MILLER of California. This amendment is debatable for 30 minutes and is in order not withstanding any rule of the House. Representative MILLER's amendment may be offered to any of the substitutes made in order under the rule.

Finally, Mr. Speaker, the rule provides for one motion to recommit.

Mr. Speaker, H.R. 2 as reported by the Committee on Education and Labor, would raise the minimum wage in annual increments over 3 years so that on January 1, 1992, the minimum wage will be set at $4.65 an hour. The committee substitute would also raise the tip credit, raise the small business exemption threshold, and provide for the phasing in of standards in Puerto Rico which are at parity with those in the other 50 States. H.R. 2 would also bring legislative branch employees under the coverage of the Fair Labor Standards Act.

Mr. Speaker, the chairman of the Rules Committee wished to handle this rule on the floor today but unfortunately he was unable to be here. It would indeed be appropriate for the chairman to handle the rule when one considers the events which led to House consideration of the wage bill in 1938.

The House Rules Committee of that day had succeeding in fending off the Roosevelt administration's efforts to have a minimum wage bill enacted by refusing to grant a rule on the bill reported from the House Labor Committee. CLAUDE PEPPER, in his first primary campaign for reelection to the Senate in 1938, included in his platform a plank in favor of minimum wage.

It was apparent that there was substantial political support for the minimum wage. Because of that support and the signal that support for the minimum wage was not a liability to southern Democrats, a majority of the House was secured to sign a petition discharging the House Rules Committee of the wage and hour bill. The bill went on to be enacted as the first national minimum wage standard in American history.

A Jack Sparling cartoon hangs in Senator PEPPER's office today which was inspired by these events. It shows the administration sprinkling pepper over our House Rules Committee with the wage and hour bill locked and a caption that reads: "This should bring it out."

Mr. Speaker, the rule before the House is a fair rule which allows for the debate on a variety of the major issues which are part of the minimum wage debate. Lower minimum wage rates as well as subminimum training wage alternatives are to be considered under this rule. In addition, Members will have the opportunity to consider an amendment which increases the damage levels which may be awarded against employees that repeatedly violate the Fair Labor Standards Act.

In the spirit of fairness that led to the enactment of the wage and hour bill, we should act now to restore the minimum wage to a decent and reasonable level. I urge my colleagues to adopt the rule and pass H.R. 2.

□ 1550

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a historic moment in the House of Representatives. For the first time in the 51-year history of minimum wage legislation, the House is being asked to consider such a bill under a rule which is less than open. Fifty-one years worth of precedents are being tossed aside so that the majority can once again stack the deck before the cards have even been dealt.

Those of us on this side of the aisle will be keeping a running tally of such historic moments throughout this 101st Congress, which already shows the promise of shattering every previous record for denying Members the right to be heard in this Chamber.

And so, Mr. Speaker, even though I strongly favor an increase in the minimum wage, I rise in opposition of this rule—and I urge that it be defeated so that the minimum wage issue can be discussed fairly and openly in this House by Members from both sides of the aisle.

Turning now to the substance of the rule itself, there are at lest three ways in which it shuts off fair debate on this bill.

First, the rule makes in order only three amendments. By doing so, it has the effect of declaring that raising the minimum wage is the only means by which the economy security of the working poor can be protected.

Mr. Speaker, how can we fight poverty by expanding opportunities in the

workplace? That's the underlying question in this debate. But it is a question that will go unanswered because only three amendments will be permitted. Members from both sides of the aisle, representing different sections of the country with a wide range of socioeconomic situations, will not be heard. The collective expertise which this House can bring to bear will be ignored.

By rushing through the minimum wage bill in this fashion, we are preempting consideration of more imaginative ideas for helping the working poor. I know the argument can be made that an open rule means that too many amendments can potentially be offered and the whole process becomes too time-consuming. But if that is the excuse now, when the House calendar isn't exactly cluttered, what is going to be the excuse later on this year when the bills are stacking up?

Make no mistake: This rule attempts to shut off debate, period. And that leads to the next objection I have to this rule.

This is a king-of-the-hill rule which, at quick glance, looks to be fair, but on which closer examination reveals its true purpose. In this case that purpose is to stack the deck against the administration's proposal, which is embodied in the amendment to be offered by Mr. GOODLING.

If that amendment were to pass, under the terms of this rule, there will be an opportunity for a subsequent amendment to displace it. Should that eventuality come to pass, Members on this side of the aisle and some on your side as well will have no other recourse but to offer a motion to recommit the whole package. And even there, our options are essentially nullified.

That leads me to my third objection to this rule. A simple motion to recommit, which is all this rule provides for, will not give this side of the aisle a chance to amend whatever legislation we finally end up with today. Let's suppose the amendment to be offered by Mr. GOODLING doesn't pass, but the one to be offered by Mr. MURPHY does. In that case, this side of the aisle will have no opportunity to offer any subsequent amendment to what then will have become the House bill on the minimum wage.

By not allowing the minority to offer a motion to recommit with instructions, this rule puts those of us on this side of the aisle in a take-it-or-leave-it situation. Morever, it violates 80 years' worth of precedents that permit the minority to thus offer a final amendment.

We shouldn't be too surprised, I suppose, because those precedents have been violated regularly over the past several years. And certainly this side of the aisle will be keeping you posted on the boxscore for the 101st Congress as these abuses continue.

Mr. Speaker, I regret having to oppose this rule because I had hoped the House would debate the minimum wage issue openly. I am one who believes that an increase in the minimum wage is necessary, and there are some positive features in the several alternatives that will be under consideration today.

But it is this continuing abuse of the process that concerns me. It's this seeming need to control and gag the proceedings of the House that concerns so many Members on this side of the aisle.

Enough is enough.

Mr. Speaker, you know this is supposed to be a fair body and people on that side of the aisle, I know they are sincere, but you really are shutting off debate.

Mr. Speaker, I represent an area that has a resort industry. I represent an area that has agricultural interests, the 20th-largest dairy-producing district in America.

You are shutting off my people from having a reasonable debate.

As I look on that side of the aisle, I see all kinds of people represented out there.

Mr. Speaker, why do you not let it be an open rule, let it be debated so that when it finally reaches the President's desk that he at least knows that it was the will of the Congress which represents the American people not to do it this way?

That is why I am going to ask for a vote on the resolution and ask for it to go back to our committee.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman well knows that six of the seven amendments before the Committee on Rules were allowed into the substitutes. The only amendment that was not allowed in was one where the Committee on Ways and Means had jurisdiction and the chairman of the Committee on Ways and Means instructed us that they had not had any hearings on the bill.

So we did not think that this was the proper vehicle to put that amendment in.

Mr. Speaker, for the purpose of debate only, I yield 3 minutes to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. I thank the gentleman for yielding.

Mr. Speaker, I rise today to not only support the rule but the bill also and I want to commend the chairman of the Committee on Education and Labor, the gentleman from California [Mr. HAWKINS] as well as the chairman of the subcommittee, the gentleman from Pennsylvania [Mr. MURPHY] for their efforts.

The truth is the minimum wage today is at rock bottom; in fact it is somewhere in the gravel pits.

President Reagan, and Congress for that matter, failed to equate the basic cost of living with the minimum wage situation. As a result we have this dilemma.

Increasing the minimum wage will, in my opinion, restore fairness to a wage which after 8 years has declined in value by more than 30 percent.

Think back to the costs of the goods and services in 1955, folks. That is about right where we are for the minimum wage earner. Someone earning $3.35 per hour today has about enough money to buy groceries at the prices of 1955.

□ 1600

Now that is ridiculous. Raising the minimum wage will give 8 million workers not only a helping hand but a needed hand up.

Now in addition to that there is the other side of the coin. Those employers out there and those businesses that are saying if Members pass that minimum wage bill, we are going to lay people off and we are not going to hire. Let me remind the Members of Congress these are the same people that want Members to cut welfare every year. I maintain that by unfreezing the minimum wage we will give more people an opportunity to hit the bricks to find work, and take them off the welfare rolls. I further say that Congress, by our policies of not raising this minimum wage has basically subsidized industry and business in this country. Our taxpayers are giving food stamps and housing vouchers to people who are working at a wage that is not even very decent for those people working in the year 1955. Now that is disgusting. My area has lost an awful lot of work and we have too many people at $3.35 an hour that cannot pay their rent, cannot buy a home, cannot feed their families, and the government has to step in and do it. So we have seen and we have heard of this hypocrisy.

I want to commend the chairman from California [Mr. HAWKINS], the subcommittee chairman, the gentleman from Pennsylvania [Mr. MURTHA], and I am just hoping today we will do what is right, because there are 8 million workers that are crying uncle, and they are crying Uncle Sam, that want Members to do something, and something right. What we are doing with this bill is right. I support the rule and ask all Members to support the rule and get beyond the smoke screen, and pass that much needed minimum wage increase.

Mr. SOLOMON. Mr. Speaker, I yield 3 minutes to the distinguished Republican leader, the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I guess it should come as no surprise to the majority that I rise in opposition to the rule.

In the words of the old song—"It seems to me we've heard this song before." Well you're going to hear it again.

There is no new way of telling the truth about injustice, so I won't try to find one. The old blunt candid words will have to do.

Once again, as has happened so many times, the majority has crafted a rule that meets neither the standards of fairness nor the ideals of free debate. And, once again, the rights of the minority—another way of saying the rights of millions of Americans whose views we represent—are being denied by the cunning manipulation of parliamentary procedure.

The cynical among us might yawn and say: "So what else is new?" But those of us entrusted with protecting minority rights cannot allow ourselves to succumb to the cheap ironies of cynicism.

The majority's original legislative proposal came out of committee after cursory hearing, lacking the kind of testimony it should have had. But the majority soon discovered that its original approach to the minimum wage question wasn't good enough. So the rule is crafted in such a way that the majority gets two bites of the apple.

The last two people to get two bites of an apple were Adam and Eve—and we all know what that led to.

The majority gets two chances under this king of the hill procedure, but the minority gets only one substitute without a motion to recommit with instructions.

What should we call that, Mr. Chairman? Is it justice? Is it fairness? Is it part of the 200-year-old tradition of free and fair debate? Is it something that enhances the reputation of this body? Is this the best the majority can do for the minority?

I might remind some of our junior Members who are on the floor here this afternoon of the trend that is happening in this House. In the old days, when I was a junior Member, when we used an open process, an amendment would be offered in the first degree, then a substitute, an amendment to the substitute, and an amendment to the bill in the second degree would also be in order. Each person on both sides had an opportunity to offer amendments. Then voting on them, one by one, till we finally got a consensus in this House. That is a free legislative body at work at its best. But that is not what is happening, and this is only the second rule, as I recall, that we have taken up this year, and again one that restricts the right of the minority as well as truly denying the House the ability to work its will. When I find a motion to recommit denied to the majority I really have to raise a nit.

My friends, you have an 80-vote margin in this House. What are you really afraid of?

A debate on minimum wage should proceed with maximum fairness. How can we talk about fairness for working Americans if our debate itself is rooted in an unfair rule?

We've got to begin to rebuild the confidence of the people in their House.

Already we may be too late. But if we can just make the effort, here, now, we can start to do something good for the House and for the country.

Vote against the rule or the previous question in order to open it up to amendments, as my Rules Committee member, the gentleman from New York [Mr. SOLOMON] has also recommended.

Mr. MOAKLEY. Mr. Speaker, for the purposes of debate only, I yield 3 minutes to the gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. Mr. Speaker, it is with great disappointment that I must rise to oppose this rule. There is bipartisan support for different parts of this bill. Here we are, Mr. Speaker, just beginning the 200th anniversary year of Congress, of the people's House, and we are observing this anniversary not with a display of democratic procedure and full and free debate on the first real issue of the day, but with a modified closed rule.

And this is only the second time in the 51-year history of the Fair Labor Standards Act that we have had a closed rule on a minimum wage bill. This rule is contrary to 200 years of democratic tradition and 51 years of legislative precedent.

We don't need a closed rule for the orderly and timely consideration of H.R. 2. That's why we have 2-hour limits on general debate and 5-minute rules on amendments. And we saw from the requests of Members appearing before the Rules Committee yesterday that there was no glut of amendments headed for this floor.

It is particularly sad that we will not be allowed to consider one of the most talked-about, widely supported alternatives to a blanket minimum wage increase, an expansion of the earned income tax credit along the lines of the two bills offered by our colleagues TOM PETRI and TOM DOWNEY.

I am disappointed that Congressman PETRI was not allowed to offer the amendment he sought, which also included a compromise minimum wage rate and a 90-day new hire provision.

Virtually the sole justification offered for raising the minimum wage is that we should increase the incomes of working poor families. An expanded EITC would provide that assistance. H.R. 2—including the Murphy-Ridge substitute—will be counterproductive of that goal.

Over 80 percent of the workers who earn $3.35 an hour are not poor. And many of those already earning $4.65 an hour are poor because of the families they must support.

The Petri EITC amendment would be based on family income, family size, and children's ages. Thus, a minimum-wage breadwinner with four preschool children would, under the Petri proposal, make a real wage of more than $5 an hour. Families living in poverty today with a breadwinner earning more than the minimum could go to over $7.

The Petri amendment would help those who need help and we should have the opportunity to vote on it. Everyone understands that the current, limited EITC has worked well and operated cost-effectively through the current tax system.

And who minds sequential referral on this bill due to committee jurisdiction? Under the Goodling-Penny bipartisan substitute, wage rates wouldn't go up until January 1990. Even under the Murphy-Ridge substitute, rates wouldn't change until October of this year. That October effective date, by the way, makes the average Murphy-Ridge minimum wage higher than the committee-reported bill of $4.65.

I ask my colleagues to join me in trying to help the working poor families of America by defeating the previous question and supporting the Petri amendment.

Mr. SOLOMON. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. PETRI].

Mr. PETRI. Mr. Speaker, I have served on the Committee on Education and Labor since 1979 and it used to be the tradition of our committee that we would come to the floor with an open rule so that the House could debate and vote and amend the legislation. We are not like the Committee on Ways and Means with a lot of special problems, and they need a closed rule, and I think we should not vote for a closed rule on this important legislation. It really would be better for our country to look at different ideas and amend it and go to conference with the amendments and end up with a better rule.

Mr. Speaker, I urge all my colleagues to vote to defeat the previous question on this rule, so that the rule can be amended to allow consideration of a substitute based on earned income tax credit reform. Frankly, I always anticipated that this step would be necessary in order to bring an EITC-based amendment before the House. But I never dreamed the rule would be so outrageous in other respects. Not only is it the first closed rule in the

history of the minimum wage, it will not even allow us to consider a simple study of the various alternative means of fighting poverty through the workplace, including a minimum wage, a training wage, direct wage supplements through the EITC, or other ideas.

Now that is truly shocking. The proponents of this legislation will not even let us study the issue. Why? What are they afraid of? The EITC alternative has wider and wider backing among economists, the media, and Members of this House from both sides of the aisle. Just this morning, the New York Times backed it for the sixth time in 2 years. But they will not even let us study it.

They must be afraid of the conclusion. They must be afraid a study will say that the minimum wage emperor has no clothes. It is a crude tool for fighting poverty. It actually hurts the poor through job losses and inflation. Eighty or ninety percent of the people it helps are not poor. And it fails to help most of the people who are poor and need help. Because they can already earn $4.65 or more but remain poor. Because of their larger families.

The problem is that poverty is not a fixed target. Economic need and poverty lines vary by family size, but wages, including any minimum wage, do not. What poor family heads need is not a minimum wage, but a living wage. And the best way to get it is to supplement wages directly, according to need as determined by family size through EITC reform. Clearly, this approach helps the working poor far more than does a big minimum wage hike. Whereas a minimum wage misses its target almost completely, the EITC hits the target squarely.

This morning's Times editorial has it right: "To increase the minimum wage would merely look good. To increase the tax credit would do good * * * for those who really care about the working poor, the issue is not the minimum wage but minimizing poverty. The tax credit is the right way."

Mr. Speaker, the minimum wage is a political dinosaur. Last year it was sinking slowly into the bog of history. Now it is being shored up for a while. I suspect the reason is that its handlers believe that besides eating up some hapless poor folks it is still capable of munching on a few Republicans. But I think even the dinosaur handlers know that EITC reform is a better idea. Otherwise, they would not be so afraid even to study it. Otherwise, they would not be slam dunking this issue through the House before the Ways and Means Committee has a chance to consider it. But I think those of us on both sides of the aisle who back EITC reform can explain its superiority to our constituents.

So let us put politics aside and do the best thing for poor people. Let us defeat the previous question on this rule so we can consider EITC reform.

□ 1610

Mr. MOAKLEY. Mr. Speaker, for the purpose of debate only, I yield 3 minutes to the chairman of the committee, the distinguished gentleman from California [Mr. HAWKINS].

Mr. HAWKINS. Mr. Speaker, I had not planned to speak on this matter at this time. I had hoped that we would reserve our comments until such time as we have an opportunity to find out what really is in the EITC bill.

I am a little surprised, however, that my very good friend, the gentleman from Wisconsin [Mr. PETRI], a member of the committee has taken this occasion to try to bring before the body something which has been discussed on many occasions in the Committee on Education and Labor. Even though we have ruled his proposal out of order on jurisdictional grounds, we have allowed the gentleman to express himself freely on many occasions. We have indicated to him, and I indicate again today, that EITC reform, such as he is advocating, belongs in the Committee on Ways and Means.

The matter does not belong in this debate either. He wishes to circumvent not just the committee to which the issue belongs, the Committee on Ways and Means, but the House itself, by using this method to make a proposal in order that I am quite sure no Members seated in this room today has sufficient information about. It is the subject of a full-page explanation on the back of his "Dear Colleague" letter. How can we accomplish EITC reform by this abbreviated, unprecedented method?

Speaking of precedents, for 50 years, from 1938 to 1981, we have seen automatic increases in the minimum wage over that period of time. Since 1981 there has been none. These gentlemen who talk about precedents, therefore, should refer back to 1981 when the minimum wage was last increased, and then consider what Congresses have done for 50 years, something which they now wish to interrupt.

The gentleman's proposal would increase the minimum wage to $4 over 3 years, which is a lot lower in comparison than the $3.35 that was then in effect in 1981. Obviously he is going to make this as a complement to his reform package. The $4 will go into effect, but his reform package will not. This to me is the most inhumane, unspeakable type of approach that has been suggested.

Mr. PETRI. Mr. Speaker, will the gentleman yield for a question?

Mr. HAWKINS. I will not yield under my time. If the gentleman has additional time to offer me, I will be glad to yield to the gentleman.

Mr. Speaker, if this effort fails, I hope the gentleman will support the Goodling substitute. I would ask, is the gentleman offering this as a substitute for Mr. GOODLING's proposal?

The confusion, to me, is so great that I think it proves that this is a poor way to legislate. That is why we cannot, in an unregulated manner, offer all types of amendments that Members can think of. We would be considering this bill for a week. Every day we delay is costly. It is costly to the taxpayers. This figure of $3 billion or more is what it will cost the taxpayers who subsidize low wages. It is costly to businesses that are facing cutthroat competition, and it is costly to the wage earners who cannot afford to buy the goods and services which are produced by their wages.

Mr. Speaker, I think it is time to vote on this matter and face the issue for the American people.

Mr. SOLOMON. Mr. Speaker, I yield 4 minuts to the gentleman from Texas [Mr. BARTLETT], but I might ask the gentleman from California [Mr. HAWKINS] first, if this is not the way we should proceed, what is the right way?

Mr. BARTLETT. Mr. Speaker, I thank the gentleman for yielding this time to me, and I would be happy to yield to the gentleman from California [Mr. HAWKINS] if he wishes me to yield to him. I would be happy to yield to the gentleman from California if he is seeking an opportunity to respond to the gentleman from New York [Mr. SOLOMON].

Mr. HAWKINS. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I just wanted to indicate that I have every feeling for the sincerity of the gentleman from Wisconsin [Mr. PETRI] to whom I referred earlier. I have advised him time after time that he should go to the Committee on Ways and Means, and if he exercises as much energy and dedication there to his proposition, which I do support to a large extent, he can follow that procedure and let us do it in the Committee on Ways and Means and not in this manner.

Mr. BARTLETT. Mr. Speaker, I rise in opposition to the rule for the very reason that the earned income tax credit, the living wage concept which the committee chairman, the gentleman from California [Mr. HAWKINS] was discussing does not belong to a committee of this House. It belongs to the whole House, and the gentleman from Wisconsin [Mr. PETRI] is proposing for the first time to allow this body, this Congress, the Members on this floor, to consider the expansion of earned income tax credit, no more and no less. The fact is that if we defeat the rule today, then we will have an opportuntiy to have a rule that will allow us to vote on the earned income tax credit.

□ 1620

My colleagues, we hear a lot of talk about jurisdiction in this House, and in fact the earned income tax credit is outside the quote, unquote jurisdiction of the Committee on Education and Labor, but the earned income tax credit, a living wage, an opportunity for a low income head of household to be able to earn a living wage through a change of Federal law is within the jurisdiction of this body, on this House floor.

The gentleman from Wisconsin [Mr. PETRI] seeks an opportunity that he has been seeking for 3 years, and that is to get an up or down vote on solving the problem of heads of households who are living in poverty so that they will have the opportunty to increase their take-home pay.

Now the fact is it is not a partisan issue, should not be a partisan issue. Members on both sides of the aisle say they support an earned income tax credit. They say they support it, but not in this time, not in this bill, not in this way and not on this day.

The fact is the time has come for Congress to begin speaking for the best interests, speaking for the best interests of low income heads of households. This is a perfect bill to do it on.

The proponents of the minimum wage increase would purport to speak for the best interests of low income heads of household, but a minimum wage increase would not help them. In fact only 15 percent of all minimum wage workers are low income households supporting a family living in poverty. The fact is most minimum wage workers are not living in poverty. They are dependents of others.

Mr. Speaker, the Petri proposal has been embraced by Democrats, by Republicans, by think tanks, by editorials, by committees of this Congress.

This House should turn down the rule, should vote no on the previous question and vote no on the rule so that we can bring up the earned income tax credit, the living wage, so that this floor, this Congress, can take the jurisdiction that belongs to us and vote on what ought to be, what is the only solution proposed that is a real solution, and that is the living wage.

Vote to give that dollar for an hour worker with two children the opportunity to have a take-home pay the equivalent of $5.32 an hour. If we vote for the minimum wage increase, we are going to put him or her out of work. If we vote against the rule and for the expansion of the earned income tax credit, for the Petri living wage, we will give that worker the opportunity to support a family, to increase their income, to increase their ability to support their families.

So, Mr. Speaker, I urge a no vote on the rule and a no vote on the previous question. Let us let the House debate what the real issue is here, and that is a living wage, not a minimum wage.

Mr. MOAKLEY. Mr. Speaker, for the purpose of debate only, I yield 4 minutes to the gentleman from New York [Mr. DOWNEY].

Mr. DOWNEY. Mr. Speaker, part of the debate on the minimum wage really is a question of how do we address the unpleasant fact that we have 6 million people in our country, families, who are poor, some 3.5 million of them who work, of that number some 1.8 million of them, families, where somebody in the household works full time or where there is some combination of full-time hours. The combination of elements that I think needs to be done to lift a person who works full time out of poverty are what the Committee on Education and Labor is suggesting we do today and the earned income tax credit with which the gentleman from Wisconsin [Mr. PETRI], and I and others have introduced at some other point.

Let me tell my colleagues why I do not think they should be mixed here together. First of all, with respect to the question of whether or not the earned income tax credit issue has been studied, it is, and the gentleman from Wisconsin [Mr. PETRI] has already testified before the Committee on Ways and Means, and his proposal is one of the ones that we are considering. It is a very good idea. But the earned income tax credit only goes to families with children. It does not deal with a whole variety of other people, couples that do not have children, single individuals who work and who are poor.

Mr. Speaker, the minimum wage deals with that question. It is much broader in scope, and it is in some respects more effective at elevating the wages of people who work and who are poor who would not otherwise qualify for the earned income tax credit.

Now the earned income tax credit is a good idea, and I am delighted to see that my Republican friends recognize that the invisible hand of the marketplace is not enough to help a large segment of the American public who work for a living yet do not earn living wages. For those people we need to do an earned income tax credit, but we need to do one and be cognizant of the cost of doing it. The fact is that both the Petri approach or my approach cost a lot of money, and, unless my colleagues are prepared to finance the earned income tax credit with additional revenue, we will wind up driving the deficit even deeper.

Mr. Speaker, I have a proposal to pay for mine, and I assume that the gentleman from Wisconsin [Mr. PETRI] has a proposal to pay for his, and I would be happy to yield to the gentleman from Texas [Mr. BARTLETT], my friend, in a minute, but the reality is that we are in the process of doing an earned income tax credit on the Committee on Ways and Means in tandem with what President Bush wants to do with the refundable dependent care credit. We have already had hearings that the gentleman from Wisconsin [Mr. PETRI] has testified on. They can go ahead and should go ahead. The fact that I am the subcommittee chairman and have a bill, I have a vested interest in seeing that the earned income tax credit meet with some success.

So, if we are not given a chance today, my colleagues, to vote on unearned income tax credit, it will be given to us in the future.

Mr. Speaker, I yield to the gentleman from Texas [Mr. BARTLETT].

Mr. BARTLETT. Mr. Speaker, I thank the gentleman from New York [Mr. DOWNEY] for yielding.

Would the gentleman from New York [Mr. DOWNEY] find it beneficial in considering the earned income tax credit to consider it in the context and with the minimum wage increase? This bill on the floor is a 3-year increase. If the gentleman is going to bring us a bill sometime this year, would it not make sense to have hearings in consideration on what is essentially the same issue?

Mr. DOWNEY. Mr. Speaker, I would say to the gentleman from Texas [Mr. BARTLETT], my friend, that I would prefer to wait for very good reasons having to do with the complexity of the question of the unearned tax credit.

The gentleman from Wisconsin [Mr. PETRI] has raised some good points about adjustment for family size. He has raised some other points about whether we should do that in tandem with dependent care credit. I want to consider that.

More importantly I would say to the gentleman from Texas [Mr. BARTLETT], my friend, that I want to consider how we are going to pay for an expansion of the earned income tax credit. I would prefer to do that for both jurisdiction reasons and also for reasons of good government in the context of when the Committee on Ways and Means brings a tax bill to the floor.

Mr. BARTLETT. Mr. Speaker, I thank the gentleman from New York [Mr. DOWNEY].

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. ARMEY].

Mr. ARMEY. Mr. Speaker, I thank the gentleman from New York [Mr. SOLOMON] for yielding.

Let me say that those of us who combine our compassion with understanding are going to be compelled today to vote against this rule, and we are going to be compelled to ask for a vote on the moving of the previous question to make in order an amend-

ment to the rule that would allow a better, more compassionate alternative.

Mr. Speaker, the problem with the rule is that it makes in order legislation that would relieve the working poor of their right to work and give them no increased capacity to sustain a living income for their families. In addition it does not make in order consideration by this body of a better alternative offered by the gentleman from Wisconsin [Mr. PETRI] to differentiate between those people at the minimum wage who are in fact the working poor and who indeed need assistance and relief and those who do not, and a bill by the gentleman from Wisconsin [Mr. PETRI] that would make it possible for us to target that support to where it is most needed.

The fact of the matter is 60 percent of the people currently working on minimum wage are between the ages of 16 and 24. Seventy-two percent are single. Over two-thirds of the minimum wage jobs are part time, and 70 percent are members of families with incomes 1½ times the poverty threshold.

The fact is, according to the CBO, if the bill brought to the floor by the committee is passed by this body and signed into law, a quarter of a million jobs will be destroyed for the working poor.

The gentleman from Wisconsin [Mr. PETRI] has come forward and said, "Let's consider a better alternative that will allow them to keep their jobs and enhance their income." We are told that his bill is not within the jurisdiction of this committee.

My colleagues, our folks back home who may lose their jobs over this legislation know they did not elect us to a committee. They elected us to Congress, and they expect better legislation from us.

□ 1630

Mr. MOAKLEY. Mr. Speaker, for purposes of debate only, I yield 3 minutes to the gentleman from Pennsylvania [Mr. MURPHY].

Mr. MURPHY. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I regret that some of my colleagues on the other side believe that we are being unfair in bringing this measure under the rule that has been granted to us. Many of them know, having served with me on the committee for over 2 years as we have studied this measure, we have granted concessions and taken under consideration their amendments for expanding the tip credit, eliminated indexing, increasing the small business exemption, reducing the amount of the hourly wage; we have taken into consideration all those amendments.

As the chairman of the Rules Committee mentioned, there were only six or seven measures offered before the Rules Committee yesterday to be considered which are embodied in the three measures that we will vote upon tomorrow. The seventh is the earned income tax credit.

Mr. Speaker, we are here to consider amendments to the Fair Labor Standards Act, not the Internal Revenue Code.

I am a strong supporter and have been a consistent sponsor of the earned income tax credit measure of the gentleman from Wisconsin [Mr. PETRI]. I joined him early. I supported him last year. I support him this year.

I commend my colleague, the gentleman from New York [Mr. DOWNEY] for finally pledging to us that his committee will take this matter under serious consideration and hopefully we can bring it before you for a vote.

But I say to all the Members, the two measures are not mutually exclusive. The earned income tax credit is one method of taking care of some of the low earning people of our Nation. The minimum wage is another avenue, taking care of an entirely different group of low income earning Americans.

So we ask you to join with us to consider the amendments to the Fair Labor Standards Act, the minimum wage provisions, and let the earned income tax credit measure be considered by this body in the coming weeks.

We will be fair. We intend to consider all the measures, and as you know, we have given them additional time to debate those measures as we go on into the evening.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the gentleman from Vermont [Mr. SMITH].

Mr. SMITH of Vermont. Mr. Speaker, I rise to oppose this rule for two reasons. First, it is a closed rule, and as such, is patently unfair when you consider the traditions of free debate in this body and in every legislative body in the United States of America.

Second, because it denies us the opportunity and it denies the people who would be served the opportunity to think about and benefit from a powerful new idea that I call the family living wage.

Mr. Speaker, I have been involved in education, with literacy programs, working with low income Americans and Vermonters all my adult life. After all that experience, it boils down to a woman who I met during the campaign last year named Stella. Let me tell you about Stella. She lives in Vermont. Her husband abused her and she threw him out of the house and they were divorced. She had four children under the age of 7. She went on welfare and was there for 6 weeks, as she put it, to get her head together. Then she did what you would want somebody to do. She got a job and she went to school. Six months later, 9 months later, what did she get back from the national wage policy in this country? She got a cut in her welfare benefits. She had to drop out of school and she was faced with the choice if she wanted her children to have the life that she wanted for them or whether to stay dependent or take an absolute cut. That was the choice that our policy gave Stella.

Would we want her to walk and work her way away from dependency toward independence? Of course we would.

The family living wage proposal allows us to do it. Too bad for Stella, because if we do not vote to open this, we will not be talking about her today. Stella needs this rule voted down because she and her children and other women and children on welfare and in poverty, working families in poverty in this country, because they need the living wage.

Mr. MOAKLEY. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the gentleman from Wisconsin [Mr. KLECZKA].

Mr. KLECZKA. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I just talked to Stella in my district, and she asks us to support the rule.

Ordinarily I do not come down to the floor to debate rules, because basically anytime we have a modified closed rule before the House, the Republicans on my right come before us with their boilerplate answers or admonitions that we are rushing the rule through or the bill through, it violates years of precedents, it needs more study or is violating minority rights; so basically we have heard it before and in this session we are going to hear it again.

Because of the importance that I place on this issue of raising the minimum wage, I am compelled to say a few words today. Are we rushing this bill through? Clearly not. For those who are earning the minimum wage, they have not seen an increase in that floor since 1980.

They say we cannot amend the bill before us. Well, I think the substitute that is permitted in the rule has almost amended this rule out of existence. I looked and I find that the wage increase is actually lower. They have given away the restaurant and the tip credit. I do not know why we need a total open rule to gut the bill further.

Basically I support the earned income proposal of my colleague, the gentleman from Wisconsin [Mr. PETRI]. I also support the one by the gentleman from New York [Mr. DOWNEY].

But clearly, in answer to the gentleman from Texas, these issues are very, very severable. I think we have a duty today to address the minimum wage.

When the Ways and Means Committee starts weighing the revenues of this country, the needs of this county, the affordability of items, I think they should put on the table of the Ways and Means Committee not only the earned income tax credit costing some $3 billion, but also the cost of a tax preference for capital gains. At that point let us weigh and see which one is more beneficial to the American people.

In fact, if I had my "druthers," I would bring both those issues to a vote. I would be quite surprised if that side of the aisle supported earned income tax credits over tax preference for capital gains.

Mr. SOLOMON. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, last year we passed with great fanfare an Omnibus Drug Act aimed at curbing the drug problem in America, and especially among our young people. Very few Members of this body took the well without mentioning the need to create jobs for young people and how important that was in helping to win the drug war, to have jobs for people, jobs other than being dealers in cocaine, marijuana and hashish.

So the first major legislative activity we are undertaking this year is to destroy, according to the Department of Labor, 650,000 youth jobs in this country. That is going to send back 650,000 kids to the drug streets.

Now, let me just point out a couple facts about these kids. Most of the people who will be affected by this legislation, 60 percent of them are under 24. Two-thirds of them are single. Two-thirds of them are part-time workers. These are kids who are just learning how to show up on time, how to supervise and take supervision, how to work well, how to have discipline, all the things they need to learn the work ethic to become a productive citizen. We are going to strip them of that opportunity and we are going to send them back to the streets, and I think we are going to greatly exacerbate the drug problem.

Mr. WEBER. Mr. Speaker, will the gentleman yield?

Mr. HUNTER. I yield to my friend, the gentleman from Minnesota.

Mr. WEBER. Mr. Speaker, I thank the gentleman from California for yielding to me.

I think the gentleman has put his finger on an incredibly important part of this debate.

From the standpoint of those of us who do not support this level of increase in the minimum wage, it is important to understand that the minimum wage is not simply an economic issue. The minimum wage is a tremendously important social issue.

If the only question were shall we raise the wages of some relatively poor people, very few people in this body would say "no" to that proposition; but we know that we are trading off to get that improvement, marginal improvement, in their wages, we are trading off the jobs of other people.

□ 1640

As the gentleman from California has pointed out, that group of people in which we are trading off jobs, 650,000 by some estimates, are precisely those groups of people where we have the most serious drug problems, young black, Hispanic, single workers at the bottom of the income scale. It is a travesty for us to conduct this debate without conducting it in consideration of the fact that we are going to condemn those people to unemployment at precisely the time when they are most vulnerable to the ravages of the drug epidemic.

This is only one of the social implications of this policy we are talking about here today.

I would say to the Members on the other side of the aisle that for a lot of us this is not simply a business or an economic issue, this is an important social debate. If some people want to question the statistics we have brought up here today, that is perfectly legitimate. But we should understand that there are serious questions about what is being done to a lot of people who are the most vulnerable in our society, far beyond the question of what is in their pocketbook, and I commend the gentleman from California for raising the issue.

Mr. HUNTER. Mr. Speaker, I thank the gentleman.

Mr. Speaker, I would say to the Members vote to save 650,000 jobs, primarily youth jobs. Vote to give our kids a chance in the war against drugs. Vote against the Democrat position.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Mr. Speaker, this is the kind of debate that would make all of our economics professors in high school or college cringe, either that or make their hair turn gray. Maybe that is not so bad for economics professors.

The fact is anybody who is an economist listing to this knows that the arguments we are making here today do not make economic sense. Nor do the arguments that are being advanced for this increase in the minimum wage, as suggested by our friends on the other side of the aisle make any kind of intellectual sense.

We are going to hear a lot of arguments that are clothed in some shabby but gaudy dresses that suggest that we would be helping people, but the truth is when we strip it all away, we are really not helping anybody. We are not helping people do better, because the very simple answer to that argument is that if $4.65 or $6.55 is good for a minimum wage, then why do we not solve all the problems of poverty and raise it to $8 or $15. Everybody would agree that that is fairly ludicrous.

Somebody suggested here a moment ago that there is a trade which is involved. We lose jobs. This legislation, as reported out of committee, would tragically result in the loss of jobs, and more importantly, of new job opportunities for so many people. Young people, people who are just coming into the job market, people who most need jobs, and single women who need these jobs.

Mr. Speaker, since we last increased the minimum wage, we have added nearly 20 million jobs in this country. We have done very well. Very few of those are at the minimum wage, and even more startling, those that are at the minimum wage are not by and large the same group as those that are in poverty. Thus, we are not going to help those who are in poverty.

The Minimum Wage Study Commission appointed by the last Democratic administration, I might add, concluded that the minimum wage as a tool for fighting poverty was a very poor tool. This legislation is clearly not going to help ease poverty, it will only exacerbate it.

If we want to make a real effort, we should and we must include a training wage in anything that we do. We also must have a minimum wage that is reasonable.

I hope we will defeat the rule and barring that, adopt the Goodling substitute.

Mr. MOAKLEY. Mr. Speaker, for the purposes of debate only, I yield 2 minutes to the gentleman from New York [Mr. GARCIA].

Mr. GARCIA. Mr. Speaker, I rise in favor of this resolution. I have listened very carefully to the debate. I have heard my colleagues talk about what this means to the youth.

Mr. Speaker, I would just like to say to the Members on that side of the aisle that if I thought for 1 second that this was going to jeopardize jobs away from young people, I would definitely vote against it. These arguments have always been the same, the same arguments time and time again against minimum wage.

The saddest aspect of the minimum wage is that in districts like mine the minimum wage is the maximum wage, and people are supporting families on the minimum wage as we know it today.

I think this resolution is very important. I think it is necessary. I think we have to move forward.

The economy is supposed to be growing. We are moving in the direction where more people are working. I think if we are going to put them to work, let us at least try and escalate that salary to such a point where in fact they can bring something home.

I commend the sponsors of this legislation, Mr. Speaker. I think it is high time and, frankly between you and I, I do not think it is enough, but we have to take this in very deliberate steps.

I join the Members, my colleagues, in supporting this resolution.

Mr. SOLOMON. Mr. Speaker, I yielded 3½ minutes, the balance of our time, to the gentleman from Illinois [Mr. PORTER].

Mr. PORTER. Mr. Speaker, I rise in support of a training wage for new workers, and, if combined with the training wage, as Mr. GOODLING will propose, an increase in the minimum wage for all workers.

But, Mr. Speaker, I would support the second part only reluctantly. Increasing the minimum wage sounds like a good idea. If it worked as economic policy, we should be increasing it hugely. But as a policy prescription, it is morally and economically bankruptcy. What it really makes is good politics. The people who get the benefit of it applaud us. The people who pay the price for it, won't know who or what hit them.

An increase will fuel inflation, damage American competitiveness, and boost unemployment. The jobs that will depart in the face of a minimum wage increase will be those of the youngest, the least skilled, and the most disadvantaged. The better off will benefit at the expense of the worse off.

I've asked employers what they'll do if the increase is passed and the reponse has been universal: "Raise prices and reduce staff. Some employees—those who least need the help—will get bigger paychecks. Some employees—those who most need the help—will get pink slips."

A training wage retains the incentive for employers to hire the inexperienced, disadvantaged, and unskilled workers. I introduced legislation for such a wage 6 years ago. Without a training wage, we risk losing young people in America, particularly minority young people, to welfare dependency and unemployment. Young people will never, in many cases, get that first job, never get a work experience, never get beyond welfare. And that's wrong, Mr. Speaker.

Contrary to what some may tell you, workers will survive the 6-month training wage period. They will use that training wage job as an opportunity to build a work ethic and job skills that will take them far beyond minimum wage work.

Mr. Speaker, the training wage is morally right and economically sound. I urge my colleagues to join in voting for a training wage, and for the Goodling substitute.

Mrs. MARTIN of Illinois. Mr. Speaker, I join my colleague from New York [Mr. SOLOMON] in urging the defeat of this modified closed rule. Stop and think carefully what you are being asked to do here today: for the first time in the history of this body you are being asked to consider a minimum wage bill under less than an open rule.

This rule makes in order just two substitutes and one other amendment, despite the fact that numerous other amendments were requested of the Rules Committee. But those Members have been shut out of the process by this rule. And I have no doubt that other Members would have liked to offer amendments to this bill if given the chance under an open rule. Unlike years past, however, Members weren't even given advance notice by the Rules Committee that a restrictive rule might be granted.

Mr. Speaker, the last time we had a minimum wage bill on the floor was in 1977. At that time, the Rules Committee granted a completely open rule that was adopted on a vote of 331 to 44. The House spent 1 hour on general debate and then about 3 hours on an open amendment process. All told, some 19 amendments were offered, of which 9 were adopted and 10 were rejected. The final passage vote on that bill was 309 to 96, a real tribute to how an open amendment process can forge genuine consensus.

I therefore wonder why it is that the majority wants to make such consensus more difficult by so severely limiting amendments this time? This is the second rule reported to this House in this Congress and the second modified closed rule. The last time around, on the Eastern Airlines bill, no amendments were even offered. Majority paranoia proved totally unjustified. Perhaps it's time to invoke F.D.R. and remind his party that "you have nothing to fear but fear itself." But please don't fear the people we represent. They have a right to full representation.

Not only is this the second straight restrictive rule reported by the Rules Committee, but it is the second time in a row the minority is being denied its century-old right to offer an amendment in the motion to recommit with instructions. The majority argues that this would only give the minority a second bite at the apple. But you have already given yourselves two bites at the apple by making in order not only the committee substitute, but the Murphy substitute as well.

Has it ever occurred to you that we might just use the motion to recommit with instructions to take a new bite at a different apple? And isn't this even more important when you have so constrained not only the minority, but the entire House, with such a limited amendment process?

Mr. MOAKLEY. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SOLOMON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 238, nays 177, not voting 16, as follows:

[Roll No. 10]

YEAS—238

| | | |
|---|---|---|
| Ackerman | Flippo | Mineta |
| Akaka | Florio | Moakley |
| Alexander | Foglietta | Mollohan |
| Anderson | Foley | Montgomery |
| Andrews | Ford (MI) | Moody |
| Annunzio | Ford (TN) | Morella |
| Anthony | Frank | Morrison (CT) |
| Applegate | Frost | Mrazek |
| Aspin | Garcia | Murphy |
| Atkins | Gaydos | Murtha |
| AuCoin | Gejdenson | Nagle |
| Barnard | Gephardt | Natcher |
| Bates | Gibbons | Neal (NC) |
| Beilenson | Glickman | Nelson |
| Bennett | Gonzalez | Nowak |
| Berman | Gordon | Oakar |
| Bevill | Gray | Oberstar |
| Bilbray | Guarini | Obey |
| Boggs | Hall (OH) | Olin |
| Bonior | Harris | Owens (NY) |
| Borski | Hatcher | Owens (UT) |
| Bosco | Hawkins | Pallone |
| Boucher | Hayes (IL) | Panetta |
| Boxer | Hefner | Parker |
| Brennan | Hertel | Patterson |
| Brooks | Hoagland | Payne (NJ) |
| Brown (CA) | Hochbrueckner | Payne (VA) |
| Bruce | Hoyer | Pease |
| Bryant | Hubbard | Pelosi |
| Bustamante | Hughes | Penny |
| Byron | Jacobs | Perkins |
| Campbell (CO) | Jenkins | Pickett |
| Cardin | Johnson (SD) | Pickle |
| Carper | Johnston | Poshard |
| Carr | Jones (GA) | Price |
| Chapman | Jones (NC) | Rahall |
| Clarke | Jontz | Rangel |
| Clay | Kanjorski | Ray |
| Clement | Kaptur | Richardson |
| Coelho | Kastenmeier | Robinson |
| Collins | Kennedy | Roe |
| Conyers | Kennelly | Rose |
| Cooper | Kildee | Rostenkowski |
| Costello | Kleczka | Rowland (GA) |
| Coyne | Kolter | Roybal |
| Crockett | Kostmayer | Russo |
| Darden | LaFalce | Sabo |
| de la Garza | Lancaster | Sangmeister |
| DeFazio | Lantos | Sarpalius |
| Dellums | Laughlin | Sawyer |
| Derrick | Lehman (CA) | Scheuer |
| Dicks | Lehman (FL) | Schroeder |
| Dingell | Leland | Schumer |
| Dixon | Levin (MI) | Sharp |
| Donnelly | Levine (CA) | Sikorski |
| Dorgan (ND) | Lewis (GA) | Sisisky |
| Downey | Lipinski | Skaggs |
| Durbin | Lloyd | Skelton |
| Dwyer | Lowey (NY) | Slattery |
| Dymally | Manton | Slaughter (NY) |
| Dyson | Markey | Smith (FL) |
| Early | Martinez | Solarz |
| Eckart | Matsui | Staggers |
| Edwards (CA) | Mavroules | Stallings |
| Engel | Mazzoli | Stark |
| English | McCloskey | Stokes |
| Erdreich | McCurdy | Studds |
| Espy | McDermott | Swift |
| Evans | McHugh | Synar |
| Fascell | McMillen (MD) | Tanner |
| Fazio | McNulty | Thomas (GA) |
| Feighan | Mfume | Torres |
| Flake | Miller (CA) | Torricelli |

| | | |
|---|---|---|
| Towns | Volkmer | Wise |
| Traficant | Walgren | Wolpe |
| Udall | Watkins | Wyden |
| Unsoeld | Weiss | Yates |
| Valentine | Wheat | Yatron |
| Vento | Whitten | |
| Visclosky | Williams | |

NAYS—177

| | | |
|---|---|---|
| Archer | Hayes (LA) | Regula |
| Armey | Hefley | Rhodes |
| Baker | Henry | Ridge |
| Ballenger | Herger | Rinaldo |
| Bartlett | Hiler | Ritter |
| Barton | Holloway | Roberts |
| Bateman | Hopkins | Rogers |
| Bentley | Horton | Rohrabacher |
| Bereuter | Houghton | Roth |
| Bilirakis | Huckaby | Roukema |
| Bliley | Hunter | Rowland (CT) |
| Boehlert | Hutto | Saiki |
| Broomfield | Hyde | Schaefer |
| Brown (CO) | Inhofe | Schiff |
| Buechner | Ireland | Schneider |
| Bunning | James | Schuette |
| Burton | Johnson (CT) | Schulze |
| Callahan | Kasich | Sensenbrenner |
| Campbell (CA) | Kolbe | Shaw |
| Chandler | Kyl | Shays |
| Clinger | Lagomarsino | Shumway |
| Coble | Leach (IA) | Shuster |
| Coleman (MO) | Leath (TX) | Skeen |
| Combest | Lent | Slaughter (VA) |
| Conte | Lewis (CA) | Smith (MS) |
| Coughlin | Lewis (FL) | Smith (NE) |
| Cox | Lightfoot | Smith (NJ) |
| Craig | Livingston | Smith (TX) |
| Davis | Lowery (CA) | Smith (VT) |
| DeLay | Lukens, Donald | Smith, Denny (OR) |
| DeWine | Machtley | Smith, Robert (NH) |
| Dickinson | Madigan | Smith, Robert (OR) |
| Dornan (CA) | Marlenee | Snowe |
| Douglas | Martin (IL) | Solomon |
| Dreier | Martin (NY) | Spence |
| Duncan | McCandless | Spratt |
| Edwards (OK) | McCollum | Stangeland |
| Emerson | McCrery | Stearns |
| Fawell | McDade | Stenholm |
| Fields | McEwen | Stump |
| Fish | McGrath | Sundquist |
| Frenzel | McMillan (NC) | Tallon |
| Gallegly | Meyers | Tauke |
| Gallo | Michel | Tauzin |
| Gekas | Miller (OH) | Thomas (CA) |
| Gillmor | Miller (WA) | Upton |
| Gilman | Molinari | Vander Jagt |
| Gingrich | Moorhead | Vucanovich |
| Goodling | Morrison (WA) | Walker |
| Goss | Myers | Walsh |
| Grandy | Nielson | Weber |
| Grant | Oxley | Weldon |
| Green | Packard | Whittaker |
| Gunderson | Pashayan | Wolf |
| Hall (TX) | Paxon | Wylie |
| Hamilton | Petri | Young (AK) |
| Hammerschmidt | Porter | Young (FL) |
| Hancock | Pursell | |
| Hansen | Quillen | |
| Hastert | Ravenel | |

NOT VOTING—16

| | | |
|---|---|---|
| Coleman (TX) | Neal (MA) | Smith (IA) |
| Courter | Ortiz | Traxler |
| Crane | Parris | Waxman |
| Dannemeyer | Pepper | Wilson |
| Gradison | Savage | |
| Luken, Thomas | Saxton | |

□ 1707

The Clerk announced the following pairs:

On this vote:

Mr. Thomas A. Luken for, with Mr. Courter against.

Mr. Pepper for, with Mr. Crane against.

Mr. RIDGE and Mr. GILMAN changed their vote from "yea" to "nay."

Mrs. BYRON changed her vote from "nay" to "yea."

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

## PERSONAL EXPLANATION

Mr. DANNEMEYER. Mr. Speaker, on rollcall No. 10, I was detained in my office with constituents and unable to be on the floor for a vote on the previous question on House Resolution 111. Had I been here, I would have voted "no" on the previous question.

□ 1710

## GENERAL LEAVE

Mr. MOAKLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Resolution 111.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

## HOUR OF MEETING ON TOMORROW

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 10 a.m. on Thursday, March 23, 1989.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

## FAIR LABOR STANDARDS AMENDMENTS OF 1989

The SPEAKER. Pursuant to House Resolution 111 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2.

□ 1712

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2) to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate, and for other purposes, with Mr. MOAKLEY in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule the gentleman from Pennsylvania [Mr. MURPHY] will be recognized for 1 hour and the gentleman from Pennsylvania [Mr. GOODLING] will be recognized for 1 hour.

The Chair recognizes the gentleman from Pennsylvania [Mr. MURPHY].

Mr. MURPHY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, today we are finally bringing the debate for an increase of the Federal minimum wage to the floor of the House. This discussion is long overdue.

There are some very notable differences about today's debate. We have a new Congress and a new President who has shown his willingness to increase the minimum wage. The Secretary of labor has presented proposals to increase the minimum wage before the Labor Committees of both the House and Senate. The administration's proposal, although many of us believe to be inadequate, should not be ignored because it is the first positive sign of cooperation on this issue that we have seen in 8 years between the White House and Congress. For those of us who have supported an increase in the minimum wage for several years, I can firmly say that Democrats and Republicans have made an honest effort to work out our differences and we have created comprehensive, bipartisan legislation. We have combined our desire to help the working poor with our knowledge of political reality and have produced a good bill.

Historically, the minimum wage provision of the Fair Labor Standards Act has provided American Workers assurances of acceptable and decent wages. Originally set at 25 cents an hour in 1938, the minimum wage has provided workers a sound foundation for a better lifestyle. Congress has increased the minimum wage eight times during the past 50 years enabling the working poor in America's job ranks to help themselves. In 1989, we realize it is time again to help those people who are working but rarely getting by.

It is a sad fact of life that today workers are benefiting less and less from the minimum wage. Not because it is no longer relevant, but because the current wage of $3.35 an hour, established in 1981, is no longer adequate. Minimum wage workers now find themselves trying to make ends meet in a world where the purchasing power of their salaries are at the lowest level in 40 years. Working 50 weeks of work a year at 40 hours a week, a minimum wage worker takes home $6,700—almost $1,200 less than it takes to support one adult and one child at the poverty level, and about half of what it now takes to support a family of four at that level.

Congress realized this problem nearly 2 years ago. As chairman of the Subcommittee on Labor Standards, I convened the first of nine hearings on the minimum wage on April 9, 1987.

These hearings carefully considered all points of view. We received a broad range of testimony from business, labor, academics, and minimum wage workers themselves.

By the time our final hearing on minimum wage concluded on March 9, 1989, it was evident that nearly 2 years of work by the subcommittee had made the case that $3.35 an hour was no longer providing workers the same levels of opportunity and support that it had in the past. It has now been 8 years since the last increase in the minimum wage. A reasonable increase in the wage should be a priority item for this Congress.

We have heard many calls over the past few weeks for cooperation and bipartisanship, and I believe that the minimum wage legislation I will present tomorrow proves that these calls can be more than just words.

The minimum wage substitute I will speak about this afternoon has been crafted by both Democrats and Republicans. The Murphy-Robinson-Ridge amendment has taken into account the concerns of many people and it is a realistic bill that will warrant support from both sides of the aisle.

Let me now explain the provisions of our proposal. On the rate of the increase we propose a $1.20 raise over the next 3 years bringing the minimum wage to $4.55 in October 1991.

Many of us would have supported a larger increase and quite frankly the economic statistics are on our side. When asked by the Committee on Education and Labor what the current minimum wage of $3.35 would be today if it was adjusted only to take into account the inflation rates of the past 8 years, Secretary of Labor Elizabeth Dole answered $4.68. Under our proposal, the minimum wage will never reach this level and our highest rate of $4.55 will not take effect for 3 years.

The proposal also contains language to create a training wage. Our substitute would allow employers to pay new employees $3.35 beginning with the first increase in the minimum wage on October 1, 1989, and then after the first year, 85 percent of the prevailing minimum wage. This training period would not exceed 60 days after the new employee's first day, and it would only apply to people without previous employment experience.

Every job has an element of training involved, and I believe this schedule is realistic for the level of expertise most minimum wage jobs demand. Employers are prohibited from laying off or terminating workers in order to fill these jobs with training wage employees, and these provisions would expire on September 30, 1992.

Concerns of the business community regarding increases in the minimum wage are also addressed by various provisions of this proposal which amend the small business exemption and the restaurant employers' tip credit. Currently, under the Fair Labor Standards Act, retail and service establishments with less than $362,500 in annual gross volume of sales or business done are exempted from the minimum wage provisions of the act. Our substitute sets the exemption ceiling at $500,000 for all businesses, with the exception of hospitals, and other care facilities currently outlined in section 3(s)(5) of the act.

Under the FLSA, employers of tipped employees are now allowed to credit tips as providing 40 percent of the minimum wage. These employers pay 60 percent of the minimum or $2.01 an hour and credit tips received by their employees against the remainder.

Our amendment would increase the tip credit percentage to 45 percent on October 1, 1989, and 50 percent after September 30, 1990. After 1991, the tipped restaurant employee would receive only $2.28 an hour in wages with tips making up the other half of the minimum wage.

I believe this substitute represents an honest and sincere attempt to address the many concerns so many of us have on the minimum wage. It is thoughtful, realistic, and bipartisan. I ask you to support this substitute so we may promptly pass legislation to increase the minimum wage. More importantly, I ask for your support for the sake of the many people who have been waiting for this increase far too long.

□ 1720

Mr. Chairman, I reserve the balance of my time.

Mr. GOODLING. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, this may be the most important debate we will have in the 2-year session that is before us. Probably tomorrow we will see the most important votes we will cast in this entire session.

Why is that true? It is true because apparently inflation is beginning to increase, and apparently interest rates are going up. I say, "apparently." Not "apparently," because the mayors all over this country are saying, "Please, please, Congress, help us do something to get the young people off the streets and get them into employment."

So we have to be very, very careful when we consider a sizable increase in minimum wage so that as a matter of fact we do not exacerbate those three problems. We should try to be the solution and not contribute to those problems.

Let us keep in mind that less than 4 percent are at minimum wage. Of those 4 percent, 60 percent are between the ages of 16 and 24, 40 percent are part-time, and 70 percent are single and are from families that are 1.5 percent above the poverty level in income.

Now, when the minimum wage goes up, what happens? When the minimum wage goes up, of course, the very people we say we want to help, the young, the unskilled, the disadvantaged, are the first people to be laid off. They are the first people that do not get the jobs in the first place.

So let us not say that is why we are fighting for this. If the people who grab our arms when we come in here tomorrow to vote are saying that they want a pay increase, it is not because they are concerned about those people, because they do not represent them, it is because they think there will be a ripple effect. They could not care less about the people we say we want to help.

So I say that I hope we can understand what Puerto Rico understands. If we say it does not have any effect on unemployment, why is Puerto Rico in before the committee saying, "We need an exemption"? Do the Members know what we did? One of the bills we will have before us tomorrow gives them an exemption. They say, "This will kill us if we move them in 3 years. We need 6 years."

What about Chicago, with 53 percent of unemployed youth? Why should they not get the same break? What about Detroit with 53 percent of unemployed youth? Should they not get the same break?

What about the State of Illinois, with nine counties with 15 percent unemployment? Should they not get that break? And what about Kentucky, with 11 counties with more than 15 percent unemployment? Should they not get the same break we are giving to Puerto Rico? Puerto Rico knows that it is a problem.

So let us not kid ourselves. What we are about at the present time is important. If we want to help the young, if we want to help the unskilled, if we want to help the disadvantaged, it is training and it is education that is going to do that. But for goodness sake, let us not take away the only opportunity they now have to possibly get a job, because they will be the first to not get a job and they will be the first to be laid off. There will be a proposal tomorrow. The President gave serious consideration to what we can do to raise the minimum wage and at the same time, not take away the jobs that the disadvantaged, the unskilled, and the untrained youth could possibly get.

□ 1730

So, Mr. Chairman, he crafted carefully legislation which will now be the Penny-Goodling-Stenholm legislation, and in that legislation he gives the increase, and he makes sure that we do

not take away the jobs from the very people that we are trying to help.

Mr. Chairman, even in my State there are two counties in western Pennsylvania that have unemployment that is almost 15 percent, so Puerto Rico has the right idea. They know what is going to happen, so let us not run willy-nilly to do something that is going to take away those jobs.

Mr. Chairman, let us make sure that as a matter of fact we do it very skillfully and we craft it in such a manner that those jobs will be available so that those 53 percent in Detroit, and those 53 percent in Illinois, and those 15 percent in western Pennsylvania, as a matter of fact, will have an opportunity to get a job, to get training, to get an education. Let us make sure that tomorrow we think seriously about the President's proposal.

Mr. MURPHY. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. GAYDOS].

Mr. GAYDOS. Mr. Chairman, I wish to congratulate my colleague, the gentleman from Pennsylvania [Mr. MURPHY] who is in an adjacent congressional district to mine, on the wonderful job he has done.

Mr. Chairman, I rise in support of H.R. 2, the Fair Labor Standards Amendments of 1989 which will increase the minimum wage from its present level of $3.35 per hour to $4.65 an hour on January 1, 1992—an increase of $1.30 over a 3-year period. This modest increase is necessary in the light of the declining purchasing power of the American dollar.

In 1977, Congress set the Federal minimum wage at $3.35 per hour for covered workers that took effect on January 1, 1981. Since then, there have been significant changes in the American economy.

The country has experienced levels of unemployment ranging from 5.4 to 9.7 percent, and higher in some areas. Increasing numbers of women have entered the work force. Trade deficits have mounted. And, inflation has eroded the value of the minimum wage.

The purchasing power of the American dollar has decreased 33 percent since 1981. You can only buy $2.46 worth of products and services for what $3.35 bought in 1981. What we have in 1989 is a minimum wage that is not enough pay for the bare necessities of life—like food and housing.

According to recent Department of Labor figures, 5.4 million workers earn at or less than today's minimum wage of $3.35 per hour. An additional 10 million workers earn between $3.36 and $4.50 per hour. These 15.4 million low-pay workers would greatly benefit by this legislation.

Minimum wage workers who are not in families below the poverty level would also have the quality of their family life significantly improved by passage of H.R. 2.

What kinds of people work at minimum wage rates? It's not only teenagers working at part-time jobs. The Department of Labor estimates that 84 percent of minimum wage workers in 1986 were adults—18 years and older.

Some 76 percent of minimum wage workers are white. Blacks, who make up only 11 percent of the population, account for 15 percent of minimum wage workers, and 7 percent are Hispanic.

More than 26 percent of those individuals working at today's minimum wage are the heads of households. Of these, 90 percent need another wage earner in order not to depend on public assistance. This helps to explain why so many single mothers are on welfare.

According to Department of Labor statistics, while women account for 47 percent of U.S. workers, they represent 63 percent of minimum wage earners.

The American people overwhelmingly support increasing the minimum wage. In a 1988 Gallup poll, 76 percent of those asked favored an increase in the minimum wage. Sixty-seven percent of individuals identifying themselves as Republicans favored legislation to raise the minimum wage.

Critics who raise objections to an increase argue that the minimum wage legislation could cause job losses and increased business costs. History proves them wrong. Since 1938, the minimum wage has been increased 15 times. Only twice did the number of available jobs go down.

In both instances, this happened during periods of extreme recession—in the early 1970's and the early 1980's. In the other 13 instances, participation in the job market went up with the creation of thousands of jobs.

Some people also argue that if the minimum wage is increased, thousands of jobs for teenagers will be lost. Again, history proves them wrong. Back in 1977, critics emphasized that a wage increase would eliminate 391,000 teenager jobs. However, in 1978, after the wage increase went into effect, teenage employment increased by 200,000 jobs.

But even now, H.R. 2 makes provisions for small businesses. The bill changes the present exemption from enterprises with gross sales of less than $362,500 per year to enterprises with gross sales of less than $500,000 per year.

The Minimum Wage Study Commission reported in 1981 that raising the minimum wage had no significant impact on unemployment, or the viability of business enterprises. It is clear that the beneficial impact of the increased income far outweighs any minimum negative effects.

A raise in the minimum wage is overdue, and the proposal before us which calls for an increase of 50 cents the first year and 40 cents annually the next 2 years is a modest one.

I urge my colleagues to join me in voting for H.R. 2.

Mr. MURPHY. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan [Mr. KILDEE].

Mr. KILDEE. Mr. Chairman, I rise in support of H.R. 2.

Mr. Chairman, I rise in support of H.R. 2, the Fair Labor Standards Amendments, which raises the minimum wage for the first time since 1981. Today, in 1989, it is about time that we guarantee a better hourly wage for the working men and women of America. While this bill contains many deficiencies, the working poor have waited too long.

I have always felt strongly that we should do everything possible to make work a more attractive alternative to welfare. By keeping the minimum wage at $3.35, we have forced American workers to work 8-hour days, 40 hours a week, and yet earn only $6,968 per year. This is significantly below the 1988 poverty line of $10,060 for a family of three. Even a single adult working at the minimum wage makes only slightly more than the individual poverty line. In States where a person on welfare has the same, or an even greater income than a minimum wage worker, Government should assure that there is no disincentive for that minimum wage employee to work.

As everyone knows, the minimum wage is established by Congress, and does not increase until we act. As a result, there are no yearly increases for inflation, no acknowledgement that this year's dollars may not go as far as last year's. Due to inflation, the real value of the wage today has gone down by almost 30 percent, and that $3.35 buys only $2.56 worth of goods and services. Although we establish a variety of social service and employment programs here in Washington, and ensure that they will receive inflationary increases, we do not do this for the minimum wage.

Finally, I would like to respond to those who say that increasing the minimum wage will increase the budget deficit. I want to say firmly that the working poor are not, and never have been, the cause of the United States' huge debt burden. To look at the Federal deficit, with its multiplicity of causes, and conclude that the working poor are partially to blame is an absolute outrage.

Mr. Chairman, I urge my colleagues to support the minimum wage increase. Who among us in this Chamber could survive on only $6,968 per year? Let us move quickly today and pass H.R. 2, which permits the men and women of our country to begin to move out of poverty and make it on their own.

Mr. MURPHY. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. HAYES].

Mr. HAYES of Illinois. Mr. Chairman, I rise in support of H.R. 2, the Fair Labor Standards Amendments, and in support of hard-working low wage earners across America.

The minimum wage is supposed to represent a decent wage at which working people can take care of themselves and provide for their families. That was the basis for enactment of the Fair Labor Standards Act of 1938.

A fair day's pay for a fair day's work in what democracy is all about. Is today's minimum wage fair? Let me put it another way, is it fair for a worker to go to work every day for an hourly minimum wage that will not bring his or her family above the poverty level? The answer is obvious. In my judgment, this Congress has waited too long to address the needs of working men and women in this Nation. While I support the bill before us, and will vote for its passage, to be

truthful, it disturbs me in that it does not go far enough.

I think it should provide even more of an increase in the minimum wage. The $4.55 called for in the Murphy substitute will still leave minimum wage earners with a purchasing power that does not bring their families out of poverty. An hourly wage of $4.55 will still make it impossible for parents to properly feed and clothe their families. It will still be impossible for them to give their children a decent quality of life.

There should not be any question in this Congress about whether or not to increase the minimum wage. Yet, there are those among us who still argue against it. They try to use the old argument that an increased minimum wage will cause a loss of jobs. Let's separate fact from fiction, and reliable data from hysterical hype. The historical record of minimum wage increases indicates just the opposite. In each year following an upward adjustment in the minimum wage, except the recession year of 1975, employment has increased.

High interest rates, the Federal deficit, the trade deficit, and the value of the dollar combine to have substantially more impact on the number and kinds of jobs available than an increase in the wages paid to low wage earners. The argument that this increase will cause a loss of jobs reminds me of the argument used against the Anti-Apartheid Act amendments.

In that case, apartheid, not sanctions, was and is the major cause of suffering in South Africa. To those who must work for the minimum wage in this country, it is not a loss of jobs that is the problem, it is the fact that the level of the minimum wage keeps them in poverty.

Fortunately, enactment of H.R. 2 will eliminate this standby argument by establishing a Minimum Wage Review Board which will advise Congress on the economic effects of wage adjustments. The fact is that the minimum wage must be raised and it must be raised now.

That brings me to another part of this legislation—the so-called training wage for newly hired workers. While I am glad that it will be phased out after a limited existence, it should not be there in the first place. It is simply a farce designed to take advantage of a person's desire to work. What we need is not to shortchange workers but to fairly pay workers. A training wage is simply going to allow employers to cycle new hires in and out, at a subminimum wage, and never give them the employment they deserve.

What we need is to create jobs so that there will be enough employment opportunities to go around. As our Nation's infrastructure continues to crumble, we need to begin providing for those opportunities in areas and skills that are valuable in the private sector. In the near future, I will introduce legislation which will provide employment and training for individuals so that they will have the means necessary to escape being hired at a subminimum training wage.

Let me conclude, Mr. Chairman, by saying that we in the U.S. Congress need to honor this Nation's 50-year contract with the working poor by paying a better decent minimum wage than is called for in H.R. 2. That is a fact. While H.R. 2, in my judgment, does not go far enough, it is better than what workers have received since 1981, which was exactly no increase at all. In the spirit of compromise, I will support it and vote for its passage.

Mr. GOODLING. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota [Mr. PENNY].

Mr. PENNY. Mr. Chairman, if we are going to raise the minimum wage, we ought to at least know who is going to be affected and how, so let us temper the rhetoric with some facts that just might prevent good intentions from producing bad policy.

Mr. Chairman, last year there were more than 116 million people in the American labor force. Of that record number some 3.9 million or 3.4 percent earned no more than $3.35 an hour.

Who are these minimum wage workers? They are not by and large the working poor, they are not heads of households, and they are not full-time workers. Almost 60 percent of the minimum wage earners are under age 25. About one in four teenagers earns the minimum wage. Most of these youngsters live at home, and their families enjoy an income far above the poverty level. More than two-thirds minimum wage earners work part time, and the vast majority of people who work part time do so because they want to. Since 1982 the number of minimum wage jobs has declined by 2.6 million or more than 40 percent. During that same period our economy has created more than 19 million new jobs. Those facts are not compatible with the argument that a big increase in the minimum wage is justified by a proliferation of low-paying jobs.

Mr. Chairman, there is a better way to help low-income families. It is called the earned income tax credit. Targeted and adjusted for family size, such a credit could effectively give minimum wage workers take-home pay equivalent to over $5 per hour. This clearly is the best approach, but unfortunately there is not yet enough support in Congress for this type of modification in the earned income tax credit. Instead we will tomorrow vote to increase the minimum wage. The question is: How high?

Mr. Chairman, I have been distressed that over the last several years this has become a political fight that has somehow forgotten the very people we set out to help. I am convinced that 4 years ago, when this issue was first raised, we could have adopted in the House and in the Senate a minimum wage in the neighborhood of $4 to $4.25 over 3 years, and I think that while President Reagan did not indicate any support for any adjustment in the minimum wage, he would have been hard-pressed to veto that kind of a proposal. And, if he had vetoed it, I think a two-thirds majority in the House and in the Senate would have been willing to override that veto and put a $4 or a $4.25 minimum wage in place over the next 3 years. But instead we have been fighting about getting more.

This year, Mr. Chairman, the fight is still about getting more. We now have a President who says $4.25 is fine, and we say, "It's not enough. We want more."

It seems that we are willing to go out and invite a veto, a veto which we probably cannot override simply because we are not willing to accept victory when it stares us in the face.

Four and a quarter is going to mean a lot to those individuals who have been without any adjustment in the minimum wage for the last 8 years. They have waited long enough. An adjustment is in order. But even in accepting an adjustment we have to be reasonable in terms of how high we go, how quickly we go. If we increase the minimum wage by 40 and 50 cents per year, we will have an effect on an employer that may cause them to cut back hours for workers or to lay certain workers off. That rapid an increase in that short a time period cannot totally be absorbed. It cannot be passed along, and that is going to mean some adjustments in the work force will take place.

Mr. Chairman, I think a more modest increase can be more easily absorbed, and thereby we can save the jobs of those workers and give them a real increase in the wage, not an increase that can cost them their jobs.

□ 1740

Mr. MURPHY. Mr. Chairman, I yield such time as he may consume to the gentleman from Indiana [Mr. MCCLOSKEY].

Mr. MCCLOSKEY. Mr. Chairman, I rise in wholehearted support of H.R. 2, a bill to raise the minimum wage. It has been 8 years since the minimum wage has been increased and during that time, the purchasing power of the minimum wage has diminished by more than 30 percent.

During this same time period, studies indicate that most of the new jobs created are in the service-industry sector—janitors, restaurant and hotel employees and retail workers. These jobs are usually at or near the minimum wage.

Contrary to popular belief, teenagers are not primarily the recipients of the minimum

wage. Eighty-four percent of Americans who earn minimum wage or less are over 18 years of age and 26 percent are heads of households. These individuals deserve the opportunity to improve their economic situation. By increasing the minimum wage, Congress will provide that opportunity.

The business community has stated that increasing the minimum wage will lead to higher unemployment, and inflation. History has proven these prophecies wrong. Each time that the minimum wage has been raised, employment has also risen, except for the 1975 recession. According to the Bureau of Labor Statistics this 2-percent drop in 1975 was due to the recession and not a wage increase.

In fact, no one has been able to trace increases in unemployment and displacement of teenage workers to adjustments in the minimum wage. A 1968 report to Congress on the minimum wage concluded that there was clearly no evidence of declining employment due to the statutory minimum wage increase. In 1984, the Department of Labor's office of policy found "scant" evidence to support the argument that increasing the minimum wage would reduce employment particularly among teenagers.

With food costs up a third and housing costs up by 50 percent since the last minimum wage increase, it is apparent that an increase in the minimum wage will be spent on the local economy. This spending is not inflationary, it will enhance the economy.

The United States has traditionally been known as the land of opportunity. Our future depends on jobs with good wages. Raising the minimum wage will reaffirm the work ethic which has been a cornerstone of our great country.

In their 1986 pastoral letter on the economy, the U.S. bishops said, "work with adequate pay for all who seek it is the primary means for achieving basic justice in our society." I urge my colleagues to vote in favor of increasing the minimum wage so that we can restore basic justice in our society.

Mr. MURPHY. Mr. Chairman, I yield 3 minutes to the gentleman from Montana [Mr. WILLIAMS], a member of the committee.

Mr. WILLIAMS. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, let us take this example, and there are 800,000 of these folks in the United States. You are the head of a household with two children at home or perhaps your spouse and one child. You work everyday. You never miss a shift. You work 5 days a week, every week, every month, and every month of every year. You never miss, but you are working at the minimum wage. That is 800,000 people going to work that way everyday in this country, and they cannot get out of poverty. They are in poverty because the minimum wage has not been raised since 1981, the longest time in American history.

Today the minimum wages in 1981 dollars is not $3.35 because you have to discount for inflation. It is at $2.46.

When the minimum wage was first put into the statute in the 1930's and ever since, without exception, the goal has been that the minimum wage worker, this head of a family I am talking about, should reach about half; that is, their wage should be about half of the average nonsupervisory wage in the United States, and we kept that tradition pretty well throughout American history; for example, all through the sixties, the wage averaged more than half, and all through the seventies it averaged about 46 percent. Today the minimum wage is only 34 percent of the average wage in the United States.

We have got a real problem. In some instances, sure, it pays more to stay on welfare than it does to go to work everyday.

You want to get people off welfare, want to cut out fraud, waste and abuse that we have heard so much about on welfare? Then the Federal Government should close the gap between what it says America's workers need to get out of poverty and what we insist they be paid as a basic minimum. We have got to close that gap. This bill attempts to do that.

By the way, this bill is a very modest approach. Consider that $4.65 when it goes into effect in 1992 still only is going to bring us to about 41 percent of the average, that traditional average that I have talked about, and that is at $4.65 by 1992.

This is a very modest approach. If the workers in America were simply going to keep up with inflation, they would have to receive about $5.25 by 1992.

Mr. GOODLING. Mr. Chairman, I yield 1 minute to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Chairman, as we debate this important legislation, I want the House to know that I share the concern of some of my colleagues as to where we actually peg the minimum wage. This is a legitimate issue.

There are those that have projected significant job loss throughout our economy if the level is too high. Some of these concerns seem to have been exaggerated, but there is no doubt that some job loss will occur. On the other hand, if the standard remains too low, what we are doing today amounts to little more than an empty legislative exercise.

I applaud the efforts of President Bush in addressing the minimum wage issue through his proposal which we debate today. However, I have serious reservations about the "new hire" provisions and their possible misapplication and abuse. In my opinion, this administration proposal contains significant loopholes which could lead to the development of an entire class of "perpetual new hires." I regret that the administration has not seen fit to improve its new hire provision. A modification would improve chances of passage.

While the potential for loss of job opportunities is not to be taken lightly, I question the dire predictions of widespread job loss and a wage-price spiral. The fact is that only 6.5 percent of hourly wage earners earned the minimum wage last year. The fact is that many parts of the Nation are experiencing a labor shortage. I do not want any subminimum wage provision to be used as an excuse for an employer to pay qualified people less than they deserve. I believe that a minimum wage with true training wage provision can be accomplished and we should work in that direction. Indeed, the training wage is the policy breakthrough of this debate.

I believe we can fashion a real training wage provision, an apprentice wage if you will, that will close the loopholes in the new hire provision as it now exists. In my own State of New Jersey, a minimum wage bill, authored by Republican Labor Committee Chairman Bob Littell, is now being considered which contains just such an apprentice wage. But this is not simply a lower wage. It is a lower wage with specific requirements as to the number of hours a newly hired employee must be trained during the apprenticeship period. Upon completion of the training, the employer will certify to the State that the employee has been trained to perform the specific duties of the occupation for which the training was provided.

We must also place a reasonable limit on the time period during which the employer is allowed to pay the lower wage and the type of employees eligible for the training wage. I am extremely concerned with the possibility of creating a perpetual new hire class of employee if these loopholes are not closed. I believe a reasonable time period for this training is 90 days. An employer should be able to train a minimum wage employee in that time.

Furthermore, an employer should not be allowed to pay the training wage to a employee who has already had experience of more than 90 days in an industry or occupation similar to the new job taken. We must protect skilled, experienced workers who change jobs for any number of reasons.

Mr. Chairman, a true training wage should be a key component of this legislation.

Mr. MURPHY. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. KLECZKA]

Mr. KLECZKA. Mr. Chairman, I thank the gentleman from Pennsylvania [Mr. MURPHY] and also the gentleman from California [Mr. HAWKINS] for their efforts on this legislation.

Mr. Chairman, I have worked many hours on this piece of legislation. In

fact, when I was first elected to Congress at the end of the 98th session, I looked around and talked to my newly hired staff. We tried to come up with some cause, some initiative that I could advocate as a new Member of Congress, which would help the people that I really care about, the people of my district who are at the lower end of the social ladder, the people across this great rich Nation of ours.

As I looked around I was informed that the minimum wage had not been touched since 1980–81. This was already 1984. So in the 99th Congress I introduced legislation, H.R. 4228, garnered some 16 Members of this House to support me, and we advocated raising in two steps the minimum wage.

Since that time I have had the opportunity to work with the chairman, the gentleman from California [Mr. HAWKINS], and the gentleman from Pennsylvania [Mr. MURPHY]. I attended their committee hearings, had public hearings, attended the markup on the bill, and finally the day has arrived some 5 years after I was elected to Congress where we are doing something which I think is long overdue, something that is relatively simple, and that is raise the floor, the basic minimum wage in this country.

We are told by many of the speakers on the other side that this is just for kids working part time. They do not need the money. Most people just want part-time jobs anyway. So why do we have to raise their wage?

Well, Mr. Chairman, in 1988 according to the Department of Labor figures some 3.9 million employees were paid no more than the minimum wage.

In addition, 10.3 million workers earned between $3.35 and $4.49 per hour.

Now, 60 percent of these workers are age 20 or above. So for those who contend this is just for kids working at hamburger shops, clearly they are wrong. In fact, those are the individuals today, surprisingly, who are paid higher than the current Federal minimum wage.

We are talking about a decent living wage for the people of my district who were laid off from Allis Chalmers, a company that moved right out of the city, and today that 50- or 55-year old employee is now working at K-Mart as a guard or at some other store.

Those are the people who are getting minimum wage today.

So Mr. Chairman, clearly the time has come. Let us get on with the business of the House and vote to raise the minimum wage.

Mr. GOODLING. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. Mr. Chairman, I rise to support the Goodling-Penny-Stenholm bipartisan substitute to H.R. 2 and in opposition to the Murphy-Ridge substitute, which is absolutely no improvement over the committee-reported bill.

I have already received, Mr. Chairman, my first correspondence from constituents opposed to the $4.25 an hour minimum wage rate suggested by the President and included in this bipartisan substitute. Not because it is too low a wage, but too great a burden on those small enterprises out in west Texas who are trying to create or preserve jobs.

Just last week, as several university students from my district visited my office, they confirmed what I have heard over and over back home. They would rather have a job at $3.35 than no job at $4.65.

Do not be fooled by the skillful drafting and clever marketing of the so-called Murphy-Ridge substitute. It is not a compromise. Look first at the step increases. For 1993, $3.85 in both H.R. 2 and Murphy-Ridge; for 1991, $4.25 in both, and 10 cents difference in 1992; however, Murphy-Ridge speeds up the bill's effective date to October 1 of each preceding year. This means the average rate for calendar year 1990 is 12½ cents higher in Murphy-Ridge than in H.R. 2, and for 1991 the amendment is 10 cents higher. This ostensible compromise is really an increase.

There are other problems I have with Murphy-Ridge. The entire agriculture industry—one already limping precariously into an uncertain future—is singled out for exclusion from the training wage provisions.

□ 1750

That training wage, by the way, not only sunsets after 3 years, but also would be extremely limited in its application.

I think there is a better idea, the other so-called bipartisan substitute. This is the amendment I look forward to debating in great detail during its consideration, but I want to note here that whether one is from the oil patch or the corn patch, there are many places in our country which have fallen through the holes in this swiss-cheese expansion of ours, and in those places, a little reflection is all it takes to convince one that a large increase in the minimum wage destroys jobs and raises prices.

President Harry Truman used to say that he wanted to meet a one-armed economist, because he was tired of economists always saying, "but on the other hand"; there is no other hand on this issue.

Economists almost unanimously agree that raising the minimum wage destroys jobs and is not an effective tool for fighting poverty.

The only question is in weighing the costs with the benefits. There are 435 perfect minimum wage bills in this House. The Goodling-Penny-Stenholm proposal is not my perfect bill, but it is a reasonable, workable compromise, and its new-hire wage provisions do preserve jobs at the entry and training level while helping full-time breadwinners move up the wage ladder.

Mr. Chairman, I urge the support of the Members for the Goodling-Penny-Stenholm bipartisan substitute when it comes on the floor tomorrow.

Mr. MURPHY. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. AUCOIN].

Mr. AUCOIN. Mr. Chairman, 86 percent of the people who work for the minimum wage are over 18 years old.

Forty percent are the sole wage earners in their household.

Twenty-six percent are the heads of households with dependents. Sixty-six percent are women.

The minimum wage rate has been frozen for 8 years, while the cost of living has increased by over 30 percent. What does it mean to say that a person making $3.35 per hour today is making the equivalent of $2.45 per hour in 1981, the last year the minimum wage was increased?

Today's minimum wage pays hard-working Americans less in real dollars than at any time since Eisenhower was President.

The Adult and Family Services Division of the State of Oregon released a report that says that the current minimum wage has resulted in the emergency in a new group of working poor with single parents being hardest hit.

> Women who enter into lower paying jobs, with no medical benefits and/or high day-care costs, are providing a lower standard of living for their families than if they remained unemployed and continued to receive public assistance.

It is that simple. Listen to the words of Diane Sutton of Eugene, OR, a single parent with two small children:

> At current minimum wage of $3.35 per hour, working full-time, I was bringing in $536 a month before taxes. After paying child care costs there was $161 left for food. This left me and my children with no means of obtaining shelter, health care, clothing, and no chance to be self-sufficient.
>
> On welfare, I receive $68 more per month, plus medical coverage, than I did working a full-time minimum wage job.

Do we want to perpetuate a wage scale which forces women like Diane Sutton to remain on welfare? She wants to work, but she can better feed, clothe and care for her children with the money she receives from welfare. Would not any mother make the same decision? Does anyone in this Chamber dare question her priorities?

The administration's plan for a 6-month training wage ignores the fact that $3.35 per hour is simply not enough to live on in 1989.

The cost of food, clothing and transportation have risen over 20 percent in the Portland, OR, area since 1981.

The cost of medical care has gone up 67 percent.

Entertainment has gone up 34 percent.

And items like school supplies, haircuts and personal hygiene products have gone up 66 percent.

Electricity costs have gone up nearly 35 percent. How can we expect people to live on a 1981 wage scale in 1989, whether we call it a training wage, a student wage, a submininum wage or anything else?

Ask Laura Harris, a 19-year-old single parent enrolled in the Eugene Public School System's Young Parent Program. The $359 she makes in welfare forces her and her 2½-year-old daughter to live with her mother. She says it is not worth trying to find a low-paying job: child care costs for her daughter would mean a net loss of income.

Mr. Chairman, it is ludicrous that those who oppose this modest increase in the minimum wage are making over 13 times the minimum wage.

Who are they to tell women like Diane Sutton that $3.35 per hour is sufficient to live on if we call it a "training wage"?

They should listen to the people who have tried to live on the current minimum wage before making a decision on what is an adequate amount.

Roma Miller, a single mother of two small children from Oregon:

I have tried to support my family while working for a job that paid only minimum wage. It became a never ending process of robbing Peter to pay Paul, juggling financial priorities, and praying for something to change. We need a wage that will allow people to live and not just exist. Families are being forced to accept poverty conditions at a time when a single loaf of bread can cost over a half an hour of work time. I hope that you can adjust the minimum wage to a fair wage so that people don't have to lose their dreams and can once again have faith in a system that is supposed to be for the people.

Mr. GOODLING. Mr. Chairman, I yield 4 minutes to the gentleman from Iowa [Mr. GRANDY].

Mr. GRANDY. Mr. Chairman, as the Members can tell from this debate, our data is already in dispute. Our side will argue hundreds of thousands of jobs will be lost. Their side will argue only a few. Our side will argue that inflation will go up. They will say not much. We will argue that when the minimum wage was last raised, poverty did not go down. They will say, "Not our fault."

Mr. Chairman, I do not want to talk about how much or how many. I want to talk about where. Where does this raise hit first? I think I know. I think it is towns of 2,500 and smaller, towns that might be in western Iowa or southern Minnesota or west Texas, small businesses with 20 to 50 jobs, right around the gross sales exemption, big business in a small town, Mr. Chairman.

What about a group that is not often referred to in these discussions? What about small labor, youth, displaced workers, whether they are farmers, whether they are homemakers, factory workers, underskilled usually and the elderly, a growing work force in many of the communities that we represent, human capital that we might be able to tap, but may not be able to tap unless we pass a reasonable substitute? We can argue about whether the minimum wage is social policy, which we tend not to believe on this side, or economic policy, which we do.

Let me talk for a minute. Let me concede that there is a certain economic justice in raising the minimum wage, and let me talk a little bit about where that justice is levied. It is levied in areas like Iowa or west Texas or southern Minnesota where fragile economies are beginning to recover, thanks to Federal intervention with the farm bill, and I will be the first to admit, where Main Street is beginning to enjoy rebirth, where small businesses are seeing small opportunities because of small profit margins, where we are beginning to get, once again, a pattern of job creation, job expansion, and youth retention.

Let me tell the Members what is happening out there even without the minimum wage. We are in the aftershock of a drought, and this year no matter what we do, costs will go up, seed will cost more, feed will cost more, input costs will cost more, and opportunities will go down, and not only that, farm income will probably be pared back.

□ 1800

So, our delicate recovery is already being imperiled. Small businesses, small employers, are going to see their opportunities decrease no matter what we do. And if we add to that section 89, the increased cost of product liability, we are seeing it not only cut back, but cut back to where they were before the drought.

We are going to add to that burden, minimum wage, mandated leave, other onerous labor pieces of legislation that will add extra costs to these unwitting victims. Surely we do not believe this is the only shot across small businesses' bow today.

Where is the economic justice, Mr. Chairman, for these businesses and these communities that are already looking for the dollars to comply with standards that are being put forth by OSHA and the Environmental Protection Agency?

Farm States, energy States, are beginning to recover. But rural environments continue to be at risk. We have begun to recover some of our farms or at least retain them. But what about our drycleaners and our filling stations and our convenience stores who either will not qualify for the gross sales exemption or will be too confused by it to bother filing?

We can wax all day long, probably not today but at some time in the future about what we want to do about rural development. Unless we pass a reasonable substitute, the Goodling/Penny substitute, what we are practicing today, Mr. Chairman, is rural dismantlement.

Mr. MURPHY. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. LIPINSKI].

Mr. LIPINSKI. Mr. Chairman, the arguments against amending the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate are old. Most were used first in 1937 and are being renewed today. But Congress continues to hesitate as if there were no body of experience from which to draw conclusions. The minimum wage has been raised several times and we have yet to see mass unemployment result. I support the measure today because it is fair and because it is long overdue. This body is at its best when it speaks for the voiceless, acts for the powerless, and gives opportunities to those without hope. Today I rise in support of the many Americans who have seen their ability to purchase even the basic necessities decline, who have seen their doors of opportunity shut.

Today we look back and try to interpret the affects of past wage increases. Today we talk about what a minimum wage of $3.35 meant in 1976 or 1981. But I ask you instead to look ahead to 1998 or 2006. Look ahead to an issue which we have rarely had to face in our history. The issue of labor shortages. The Department of Labor Statistics expects the labor force to expand by 21 million over the 1986-2000 period. This represents a significant slowdown when compared to an increase of 31 million achieved during the previous 14-year period. Is this a serious problem? Serious enough for the Department of Labor to issue a report on the subject, the first Department of Labor report ever on labor shortages. Today, in the context of this debate, we have a chance to address this issue before it becomes a crisis, a chance to act instead of react.

The labor shortage report reveals something many of us already see. It reveals that many in the labor force lack basic skills. I am not referring to skills such as accounting or engineering but basic skills required to do any job well. Many of today's potential employees are found lacking in spelling, writing, mathematics, initiative, attitudes, and work habits. The pool of laborers in the best position to fill this critical void are today struggling and failing to stay afloat earning $3.35 an hour. In 1986, the wage earner at the minimum could earn about 80 percent

of what would have been necessary to keep his or her family out of poverty. Could this wage earner possibly be inspired to make a real effort for a wage that yields no more than a welfare payment? Would this parent encourage his child to stay in school or would he need that child to take a minimum wage job? At today's wage that parent would have no choice and the skills gap in the labor force will materialize as a crisis.

I urge my colleagues to take a quick look back and see that increases in the minimum wage have been successful. More importantly I urge you to take a long look forward and see how costly the failure of this measure will be. For American workers, especially those who have generally been outside the economic mainstream, labor shortages should represent a golden opportunity for improved wages, improved working conditions, and a better financial future. But if they remain trapped and unable to accumulate the basic skills then they will miss this opportunity. They will become marginally employable and become a burden to their fellow citizens. This measure is important not because of what has happened in the past but because what will happen in the future. I urge my colleagues to join me in passing this measure.

Mr. GOODLING. Mr. Chairman, I yield 4 minutes to the gentleman from Wisconsin [Mr. GUNDERSON].

Mr. GUNDERSON. Mr. Chairman, may I begin by giving a special word of thanks and commendation to obviously our chairman, who as always is conducting the deliberations of the Committee on Education and Labor in a fair and proper fashion, but especially at this time to our new ranking Republican on the full committee, the gentleman from Pennsylvania [Mr. GOODLING], for his initiative and his lead efforts, and frankly his leadership on this particular issue. It has been fun for a lot of us to work with him on this, which will be the first of many challenges.

But, we are on the Committee on Education and Labor because I think each and every one of us, Democrat or Republican alike, is abolutely committed to making this a better world. The problem with the bill here today is the difference in how we are going to achieve it.

We do not have a wage problem in America today. What we have is a skills problem. Anybody who looks at the work force demographics over the next 10 years knows that the jobs are going to be there for every American. We are going to have a labor shortage. That is why we like working on the Committee on Education and Labor, not so that we can fight our labor/management issues, but rather so we can talk about that bigger issue of how do we provide the skills where people can move forward, and then within that context I think it is important that we consider this legislation before us today.

The minimum wage today is very different than the minimum wage was in 1980. The people who receive the minimum wage today are very different than they were in 1980.

Today the minimum wage and poverty populations are for the most part two separate populations with very surprisingly little overlap. The reality is that only 8.6 percent of the people on minimum wage today are heads of households, and 58 percent of those people are 25 years old or less; 36 percent of the people who receive the minimum wage today are teenagers. We are dealing with a minimum wage today that for the most part is either entry level, first time pay, or pay received in a rural area in America based on the economy, cost of living, and the wage scale in that particular area.

So in the midst of all of that we have the bill that came out of the committee; we have the Goodling-Penny substitute; and now we have a new substitute. I recommend to my colleagues that as we go through this debate they recognize exactly what the Goodling-Penny substitute is. It represents a 27-percent increase in the minimum wage at the very time that the latest statistics show unemployment going down, and the latest statistics show interest rates going up to fight inflation.

It is a 3-year effort toward $4.25, and it includes that particular training wage.

Let us compare that with the substitute. Let us be honest. This is not a substitute based on economics. It is not a substitute based on philosophy. This is a substitute based on vote counts.

□ 1810

What do we need to manipulate the wage and the training wage and everything else in order to get enough votes to pass it? Is that the way we want to conduct future economics for young people? Is that the way we want to conduct economic policy for single-parent heads of households? Or do we just want an issue? Because I think that is what it will boil down to, Mr. Chairman.

If you want to truly raise the minimum wage, you will vote for the Goodling-Penny substitute.

If you want a political issue and political rollcall, you vote "no" on that and you vote for the substitutes that are offered.

Mr. Chairman, I encourage each and every one of us to support the Goodling-Penny substitute tomorrow.

Mr. MURPHY. Mr. Chairman, I yield 3 minutes to the gentleman from Missouri [Mr. CLAY], a member of the committee.

Mr. CLAY. Mr. Chairman, I had hoped that the opponents of this bill would have at least been original in their arguments, if not persuasive. But they have used the same arguments almost verbatim that were spoken in this very Chamber in 1938 when the first debate on the first bill to enact a minimum wage took place.

Mr. Chairman, listen to the similarities.

Representative Carl Mapes, Republican of Michigan, said:

It is bound to increase unemployment unless all human experience is reversed. It will put more people out of work than it will help to get work. The less efficient will be compelled to give way to the more efficient.

Then Mr. Roy Woodruff, Republican of Michigan, said:

According to the best analysts who have studied the bill and its probable operation, this measure will not reduce, but will increase unemployment.

Then, Mr. Chairman, Mr. Woodruff again said:

Even if the bill were passed by both Houses as it is presented here, it still opens the door to a principle utterly dangerous to the independence and welfare of labor and of industry—namely, the power of the Federal Government to interfere in the right of free contract by the employee and employer and to dictate the terms of all such contracts.

Then Mr. Mapes said again:

Organized and skilled labor, especially, should keep in mind that the passage of the legislation will reduce the wages of more people now employed than it will raise.

Then, Mr. Chairman, Mr. Dewey Short said:

Our country has the highest standard of living on Earth, but if this bill is enacted into law, the inevitable result will be increase in unemployment, decrease in production, lower standards of living, smaller consumption of raw materials (including farm products) and lower prices for them.

Well, Mr. Chairman, none of these things happened. The world did not come to an end. What we see happen, Mr. Chairman, is that the more things change, the more they remain the same.

Fortunately in 1938 we had a President who believed in a gentler, kinder society and he signed the bill. Unfortunately today we have a President who claims to believe in a gentler, kinder society and he threatens to veto this bill.

Mr. Chairman, I rise in support of H.R. 2.

Perhaps the foremost item on the list of unfinished business from the 100th Congress is an increase in the minimum wage. As reported by your committee, the minimum wage bill, H.R. 2, provides for a 50-cent increase in the minimum wage effective January 1, 1990, another 40 cents increase effective January 1, 1991, and a final 40-cent increase effective January 1, 1992. The final increase would bring the minimum wage up from its current level of $3.35 an hour to $4.65 an hour. In addition to increasing minimum wages and pro-

viding for periodic reviews of the minimum wage, H.R. 2 amends the law in two other respects. First, the bill provides for an increase in the so-called small business exemption for retail and service establishments by exempting those businesses doing less than $500,000 in annual gross volume of sales or business. Currently, the law only exempts those businesses doing less than $362,500 in sales or business.

Second, H.R. 2 provides for the so-called tip credit to be increased from 40 to 45 percent in the year following enactment and to be increased again to 50 percent in the following year. The tip credit would remain at 50 percent thereafter. Under current law, when the 40-percent tip credit is accounted for, the minimum wage for tipped employees is $2.01. As proposed in H.R. 2, as of January 1, 1990, the tip credit would increase 5 percent while the minimum wage increased 50 cents. As a result, the minimum wage for tipped employees would increase by 11 cents. On January 1, 1991, the minimum wage would increase another 40 cents while the tip credit would increase another 5 percent, adding half a cent to the minimum wage for tipped employees. In 1992, the minimum wage would increase another 40 cents, adding 20 cents to the minimum wage for tipped employees. What we are talking about here is an increase from $2.01 to $2.32½. In other words, the total increase for employers of tipped employees amounts to only 31½ cents.

There has been no increase in the minimum wage since 1981. In the meantime, inflation has steadily eroded the income of minimum wage workers. In terms of 1981 dollars, the minimum wage declined from $3.35 in purchasing ability in 1981 to a level of only $2.56 in 1988. Last year, it required a wage of $4.45 an hour to earn what a worker paid $3.35 an hour earned in 1981. A minimum wage worker who worked full time, 52 weeks a year, without taking any vacation earns $6,986 for his or her efforts, an amount below the poverty line for a family of two. As the Washington Post pointed out in an editorial in support of a minimum wage increase, "The income gap between the richest and poorest fifths of the population—their share of total income—is the greatest it has been since World War II."

The debate over whether to raise the minimum wage has special significance for black Americans. Blacks, Hispanics and women constitute a disproportionate share of minimum wage workers. There are 741,000 black Americans earning the minimum wage. Almost 15 percent of the minimum wage workers in the country are black. Minimum wage workers constitute 8.7 percent of all black workers and 8.1 percent of all Hispanic workers. Among whites, minimum wage workers only constitute 7.8 percent of workers, almost a full percentage less than among blacks. For women, the figures are even worse. While minimum wage workers only constitute 5.4 percent of all male workers, they constitute 10.5 percent of all female workers. Sixty-five percent of all minimum wage workers are women.

The depressed minimum wage and its consequential depression of the wages of other workers has not only seriously eroded the earning power of the black community, thereby damaging black business owners as well as black workers, but has further torn the fabric of the black community, itself. Over the last decade, the earning power of black men has declined by 50 percent. As stated in a report by the Children's Defense Fund, the decline in the earning power of the black community, and of black men in particular, has "greatly exacerbated the teen pregnancy problem and the declining marriage rates among young black men and women, and has fueled substantial increases in poverty among young families and their children."

Minimum wage workers, no less than anyone else, have certain basic needs that must be met. To the extent that workers, through their wages, are unable to provide for these needs, they must be accounted for in another manner. If one's wages do not provide sufficient income to feed one's family then either that family will be malnourished or someone else must pay the cost of providing the food. If a worker is unable to earn wages sufficient to provide for the education of his or her children then either those children must go uneducated or someone else must assume those costs.

Employer groups have justified their opposition to the minimum wage legislation on the basis that it will adversely impact the working poor and especially minorities. I represent the greater part of the city of St. Louis and parts of St. Louis County. According to the 1980 census, 46 percent of my constituents are black. Almost half of my constituents rent rather than own the houses in which they live. In 1980, the median monthly rent in my district was $145 per month and the median house value was $31,800. While there are some very affluent neighborhoods in my district, the majority are not. Unemployment levels in parts of my district exceed those for the country and many of my constituents lack the skills and education necessary to advance to the middle class.

In other words, according to the arguments of the opponents of this legislation, more of my constituents than others in Congress are likely to be hurt if the minimum wage is increased. My constituents, for whom the opponents of H.R. 2 claim to speak, do not share this view. In fact, they are convinced, and I strongly agree, that they would benefit from an increase in the minimum wage. The minimum wage bill has been introduced in the House of Representatives by the dean of the Congressional Black Caucus, Congressman HAWKINS. This legislation is among the highest priorities of the Congressional Black Caucus and is supported by all of its Members.

Especially for black Americans, for whom the American dream has been an irrelevant myth for too long, the importance of being able to maintain oneself and one's family through gainful employment cannot be over emphasized. One works to provide a livelihood for one's family. Employment that does not convey to workers a degree of independence and self-reliance diminishes the dignity and worth of the individual, increases the divergence between rich and poor, and bares a closer resemblance to servitude than any American and, given our history, especially black Americans, can or should be willing to tolerate.

I urge this body to support this legislation.

Mr. GOODLING. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. BARTLETT].

Mr. BARTLETT. Mr. Chairman, I rise in strong opposition to this legislation. There are lots of reasons to oppose this precipitous minimum wage increase and many will be discussed here including its effect on inflation, which is estimated by the Congressional Budget Office to be right at 1 percent of an increase in inflation, or its cost to the Federal Government, estimated by the Office of Economic Advisers to be up to $5.8 billion per year. Those are true.

But the real reason to oppose this bill, the real reason that every Member of this body should vote against this bill, boils down to one issue, and that issue is jobs. Precisely the loss of jobs to individual workers, individual human beings, those people who the sponsors of the bill would purport to help, in fact those most vulnerable workers, new entrants into the job force, the largely unskilled workers who because of this legislation will never earn those skills and will never start up the road to economic progress in this country, and a full wage.

Only Congress does not recognize the job loss. Only Congress in this country is still clinging to the myth that this increase in minimum wage somehow does not hurt people, but it hurts them badly. Consider the reports. The Minimum Wage Study Commission after the last minimum wage concluded that every 10-percent increase in minimum wage would increase, would cost a total of 100,000 to 200,000 jobs. This bill proposes a 38-percent increase in the minimum wage.

Over the course of the last 10 years, and I have brought to the House floor a number of them, some 100, almost, studies, economic studies have been done, study after study after study, which has concluded, whether it is impirical evidence or longitudinal studies or quantitative studies, that minimum-wage increases of this size without a new-hire wage will put hundreds of thousands if not millions of people out of work. Not a single economist purports otherwise. The Department of Labor compiled a mean average of these studies and concluded that based on the studies in the last decade, 650,000 jobs would be lost.

Editorials from virtually every newspaper in the country in the last 2 years—here is a compilation of 1988 editorials, and here is a compilation of late 1988 editorials, editorials and columnists from all over the country have editorialized against the minimum-wage increase, for taking some new approaches and for not losing those jobs. But only in Congress do we still retain that myth that somehow

this minimum-wage increase will do anything but hurt people.

In the rather extensive hearings that the subcommittee had in the last session of Congress we had witness after witness tell us that this minimum-wage increase would cost jobs and would put new entrants, new hires out of work. One national restaurant chain told us, I remember vividly, that during the last minimum-wage increase, 1978 to 1981, that national restaurant chain alone eliminated as a direct result of the minimum-wage increase six job slots in every store in the country, two cashiers, two assistant hostesses, and two busboys. Vote against this bill. Vote to save those 650,000 jobs throughout the country.

Mr. MURPHY. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. FOGLIETTA].

Mr. FOGLIETTA. Mr. Chairman, once again, we stand in this Chamber debating the merits of raising the minimum wage—a debate which has taken place 11 times since the original law was passed 51 years ago.

I am optimistic that we will raise the minimum wage, and allow all American workers' wages to keep pace with prices in the American marketplace. This will ensure that all American workers receive the absolute minimum of what they need to keep their families in decent housing, with food on the table and clothes on their backs.

There have always been critics of the minimum wage. And their arguments are always the same: That an increase will cause the inflation rate to rise. That America will lose its footing in the international economy. That hundreds of thousands of American jobs will be lost.

It seems that whenever we rise to require simple justice for the American worker—whether it be raising the minimum wage or requiring plant closing notification—the same arguments are dredged up.

But the dire predictions never seems to come true.

An increase in the minimum wage has never sent the economy into the tailspin that opponents have predicted. Neither has the inflation rate increased by 2 or 3 percentage points after a wage increase. And the work force, has never lost even close to the number of jobs that critics have projected.

It is even more telling, though, to examine the projected economic figures of an increase in the minimum wage. The administration has stated that raising the minimum wage will cause a loss of 650,000 jobs. What they fail to tell you is that these figures are based on outdated studies relying on data collected during the sixties and seventies.

These studies fail to take into account the increase in recent years in the number of low-wage jobs due to the Nation's shift from a manufacturing to a service oriented economy.

A recent study conducted by the Wharton Business School—located in my district—replicated the studies of the previous two decades using updated labor market data through 1986. The employment loss figures they arrived at proved negligible—enabling them to conclude that there would be no discernible impact on jobs.

Raising the minimum wage will not have the detrimental effect on our Nation's economy that critics are predicting. Their forecasts have never been accurate in the past.

Rather, raising the minimum wage will have a positive effect by restoring lost buying power eroded by 8 years of inflation. It will send a message to those dependent on the minimum wage that a full-time job should be rewarded by a decent, livable wage.

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Mr. VENTO. Mr Chairman, will the gentleman yield?

Mr. FOGLIETTA. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I point out why some critics talk about the Tax Code. We should not use the Tax Code as an excuse; taxpayers should.

Mr. Chairman, I rise in strong support of H.R. 2, the Fair Labor Standards Amendments. I want to congratulate Chairman HAWKINS and the leadership for bringing this important legislation to the House floor for action.

H.R. 2 increases the minimum wage from its present level of $3.35 an hour to $4.65 an hour, in three incremental steps, over the next 3 years.

An amendment to be offered by our colleague, Mr. MURPHY, the chairman of the Subcommittee on Labor Standards, addresses the issue of a so-called training wage by setting a carefully tailored standard that would not permit employers to pay new hires less than the current $3.35 an hour under existing law. I must say that I have serious concerns with any proposal to establish a subminimum wage because of the obvious potential for discrimination against older, experienced, and higher paid workers by unscrupulous employers. However, I believe that Chairman MURPHY and others have worked in good faith to respond to the concerns of the Bush administration, which has indicated that a bill not containing a training wage provision may be subject to a Presidential veto. The Murphy amendment limits any training wage to new hires only and also includes a sunset provision 2 years after the date of the last increase in the minimum wage provided in the bill.

I am also pleased that this legislation provides for the establishment of an advisory board to review relevant data and make periodic recommendations to Congress on adjusting the minimum wage to preserve its purchasing power. The effects of inflation and the increasing disparity in lower and upper income brackets tell us that it is time to pass this legislation.

Some critics of this legislation have said that we should be addressing the needs of low-income earners through the U.S. Tax Code—that indeed is a curious suggestion that the U.S. taxpayer should make up the difference between a living wage, to support a worker and even a family, and the inadequate wage that an employer pays that worker.

Frankly I think that this type of logic stands upon its head, the low-income earned tax credit in the United States Code. Certainly this credit should be adjusted within the capacity of the Nation to assist low-income workers but not as a substitute for an adequate minimum wage—we need not create more low-income workers, there are too many already; that is why we need to support a fair increase in the minimum wage without a training wage loophole that invites abuse of the wage standard.

The fact is that Americans living below the poverty line have increased from 11.2 percent in 1978 to over 13.5 percent in 1987. That is literally over 6 million more Americans. A fair increase of the wage standard is needed now.

Mr. Chairman, there are literally millions of working men and women in our Nation who work hard every day at difficult and sometimes tedious and even dangerous jobs, not because they necessarily enjoy it, but because they must work. Millions of the underemployed hold more than one job, not because they prefer this, but because they must. The last increase in the minimum wage was passed by Congress 12 years ago in 1977. Clearly, it is time for Congress to act now to improve the livelihoods of those who live and work at the fringes of our economy and in the shadow of prosperity. I hope that my colleagues will join me in voting for H.R. 2.

Mr. GOODLING. Mr. Chairman, I yield 1½ minutes to the gentleman from Wisconsin [Mr. PETRI].

Mr. PETRI. Mr. Chairman, one of the appeals of the minimum wage is the notion that you can get something for nothing, that you can increase people's wages and no one except a bunch of greedy, labor-exploiting businessmen will have to pay for it.

Unfortunately, the reality is otherwise. In competitive markets, businessmen will have to pass higher costs along to consumers. All of us, including the poor, will pay for it in higher prices. Some of the least skilled among us will pay for it in decreased job opportunities. And most of us, as taxpayers, will also pay for it because it will increase the Federal deficit.

The effect on the Federal deficit has not been discussed much in the past, but it is an important part of the issue. The effect is difficult to score, but in reality it is there nonetheless. If we are concerned about the deficit, we should pay attention to the real budget effects of our actions just as much as the scored effects.

The budget effects are both direct and indirect. The nursing home industry, in which half of total revenue comes from Medicaid, stated last year that a $4.65 minimum wage would have to result in increased Federal

spending on Medicaid of $½ to $1½ billion per year.

I surveyed a number of hospitals in my district and discovered that all of them employed a number of people, mostly part-time teenagers, at less than $4.65. As their costs go up, Medicare spending will eventually have to rise. Just within the jurisdiction of the Education and Labor Committee a minimum wage increase has major effects on Head Start, summer youth employment, college work study, and community service employment for older Americans. These are all direct effects. The Office of Management and Budget has estimated that they total a $1.8 billion per year increase in the deficit. The Congressional Budget Office report on H.R. 2 admits that such effects may exist, but says data is insufficient to estimate them.

But more important than the direct effects are the indirect effects resulting from lower overall economic activity and higher inflation than would otherwise occur. OMB has estimated that the indirect effects of a $4.65 minimum wage would increase the deficit by $1½ to almost $6 billion per year. Material I have received from the Congressional Budget Office indicates an effect at least that large.

The CBO now projects that a $4.65 minimum wage would eliminate 125,000 to 250,000 jobs. That would indicate an unemployment rate up to one-quarter percent higher, than it would otherwise be. Although CBO does not score the effects for budget purposes, former Acting Director James Blum has indicated in a letter to me that a rise in unemployment would, in fact, tend to increase the deficit.

The CBO's report on the economic and budget outlook of January 1989 estimates that a one-quarter percent higher unemployment rate would increase the deficit by 12 billion in the first full year, rising to $19 billion in the fifth year. Even if you took half of that, or one quarter of that, because we are talking about low wage jobs, it is still a very large cost.

In fact, you do not get something for nothing. You pay for a minimum wage increase in the Federal budget as well as elsewhere. And little of the cost actually goes to the poor. If we are going to spend this money, we should do it directly and efficiently, sending it directly to people who need it and only to people who need it, in proportion to their need, through the earned income tax credit.

Mr. Chairman, you cannot legislate wealth. If you could, you could wipe out poverty all over the world with a stroke of the pen. In Russia, they pass laws so bread is cheap, but there is no bread. If Congress passes laws that say jobs will pay a lot, there will be no jobs.

You cannot get something for nothing. If we want to help the working poor, we are going to have to pay for it. And the earned income tax credit is a far better way to pay for it than increasing the minimum wage.

Mr. MURPHY. Mr. Chairman, I yield 6 minutes to the gentleman from New York [Mr. OWENS], a member of the committee.

Mr. OWENS of New York. Mr. Chairman, I think it is important for us to understand that today's debate is not a discussion of how to allocate or give away taxpayers' dollars. That discussion is coming later on. A few weeks later we will talk about the savings and loan scandal and act on the President's bill and talk about giving away billions and billions of the taxpayers' dollars. There is a hard line shaping up around here about the minimum wage. We want to fight penny by penny every step of the way to prevent workers from being paid a decent wage. What we are talking about is the Government's duty to regulate commerce so that people who exchange their labor get a fair exchange. We are talking about plain, old-fashioned fairness.

Minimum wage workers need a higher wage, and the best way to give people help is to put the money directly in their pockets, pay them decent wages for the work they do; 86 percent of the people who earn minimum wage are adults over the age of 18. No matter what Secretary Dole says, when you are 18, 19, 20, you are not a teenager any more. Once you graduate from high school you are expected to go out there and earn your own living. Do not include the 19-year-old and the 20-year-old in the teenage statistics; 86 percent are adults over the age 18.

Minimum wage workers have not had a raise in 8 years, the longest period in history. Inflation has gone up more than 30 percent. Rents have gone up more than 39 percent. Public transportation has gone up 36 percent. Health care costs are up 57 percent. Altogether the minimum wage was worth about $1 less than it was in 1981, the lowest in the last 30 years. If it kept pace with inflation, each minimum wage worker would earn $10,628 more over the last 7 or 8 years. That would be money pumped back into the economy. It would be money that would not hurt the economy, I assure you.

We ought to take a hard look at the wages and salaries in America. The basic population needs to take a look at who is getting paid what. Radio talk show hosts talk for a few hours a day and get between $200,000 and $300,000 a year. A young lawyer out of law school working 2 or 3 years expects to earn $200,000 a year. We know what baseball players, basketball players earn and we know in America huge salaries are paid for things that might not be worth it. A man who gets up every day and goes to work every day, works a 40-hour week, is expected to accept $3.35 an hour. Corporate executives, for example, while the corporate fat cats may insist miminum wage will destroy their economy, they have been more than generous with their own paychecks in the last 7 years. Some have been getting pay hikes 100 or more times the rate of inflation. A hundred times the rate of inflation. The chairman of K-Mart, for example, is making 513 percent more than he did in 1981. A&P's chairman is making more than $3.4 million in salary and wages, $3.4 million, a 388-percent increase. Giant's chairman makes 472 percent more than 7 years ago. I have included a chart which summarizes a few of the salary increases that our top corporate executives are receiving.

A Gallup Poll has recently shown that Congress is probably behind the American people. A Gallup Poll showed 76 percent of the American people supported raising the minimum wage not just to $4.65 an hour but all the way to $5.05, and Congress better wake up and better understand that the same people are not in favor of paying huge sums of money to bail out corporate bankers in the savings and loan association scandal. Let us not be generous a few weeks away while we fight for pennies now. There are 6.7 million workers earning at or below minimum wage and only 14 percent are below the age of 18, regardless of what Secretary Dole says. When Congress increased the minimum wage in 1977, the Chamber of Commerce predicted 390,000 youth would lose their jobs. Instead the facts show differently. In 1978 youth jobs increased by 382,000. They increased. I don't know where the statistics or the studies that have been cited have come from, but I am citing statistics from the Department of Labor and from the Bureau of the Census itself.

Declining earnings among young people are discouraging the formation of new families. We are talking about an issue today striking at the very heart of our society. The average annual earnings of young men have dropped 25 percent since 1983. Young men who earn at or below the poverty level are 3 or 4 times less likely to get married. You cannot have families. Between one-third and one-half of the decline in marriage rate in the young people is attributed to the decline in the earnings of young men.

A moral imperative cited by the Pope's encyclical on families in 1983, where he says every industrial nation, in order to be moral with their workers should pay a wage rate which is high enough so that one member of the family can earn enough to support the family and the other member can stay home and take care of the chil-

dren. The time for Congress to catch up with the moral imperatives is now, and it is important that we understand we are not giving away anything here. It is a few weeks from now that we have to take the hard line, but not take the hard line now and begrudge workers every penny but give a minimum wage of $4.65 an hour and be fair to the workers. Our families need this help. The very basic fundamental unit of our society is in grave need, and Congress is expected to come to the aid.

COMPENSATION PAID TO CHIEF EXECUTIVE OFFICERS OF MAJOR RETAIL TRADE AND SERVICE INDUSTRY EMPLOYERS, 1981–1986

[Compensation in thousands of dollars]

| Corporation | Compensation 1981 | Compensation 1986 | Percent change |
|---|---|---|---|
| American Stores: Acme Markets, Alpha Beta Stores, Jewel Food, Star Markets, Osco Drug | 482 | 1,044 | +120 |
| Avon Products: Nursing Home Chain, Substance Abuse Facilities, Retirement Inns of America | 616 | 1,230 | +100 |
| Bally Manufacturing: 6 Flags Amusement Parks (sold May 1987), Casino/Hotel Chain, Jk La-Lanne/Holiday Spas, Pinball Arcade Chain | 751 | 1,873 | +149 |
| Beverly Enterprises: Nursing Home Chain | [1] 473 | 781 | +65 |
| Brown Group: Cloth World, Etage Cosmetics, Famous Footwear, Linen Center, Meis Clothing Stores, Naturalizer Shoe Stores, Peck's Menswear Center, Regal Shoe Shops, Wohl Shoes | 416 | 718 | +73 |
| Brunswick: Bowling Lane Chain | 1,065 | 2,630 | +147 |
| Carter Hawley Hale: The Broadway, Emporium Capwell, Thalhimer Bros., Weinstocks' | 517 | 756 | +46 |
| Disney: Disneyland/Disney World | 460 | 3,398 | +639 |
| Federated Department Stores: A&S, Bullock's, Bloomingdale's, Burdine's, Filene's, Foley's, Gold Circle, Goldsmith Department Stores, Ralph's Grocery, Rich's Department Stores | 719 | 1,158 | +61 |
| Food Lion | [1] 442 | 965 | +118 |
| General Mills: Eddie Bauer, Leeann Chin's Carryout, Red Lobster, Talbots, York Steak House | 659 | 1,259 | +91 |
| Giant Food | 601 | 3,436 | +472 |
| Great A&P Tea: A&P, Family Mart, Kohl's Food, Kwik Save, Pantry Pride, Superfresh | 877 | 4,279 | +388 |
| Greyhound: Cassano's Pizza, Cleaning & Maintenance Services, Contract Food Services | 414 | 1,494 | +261 |
| Gulf & Western: Movie Theater Chain | 1,433 | 2,339 | +63 |
| Hershey Foods: Friendly Ice Cream | 636 | 854 | +34 |
| Hilton Hotels | 446 | 675 | +51 |
| Hospital Corporation | 403 | 653 | +62 |
| Interco: Central Hardware, Fine Men's Shops, Florsheim Shoes, Golde's Department Stores, Sky City Stores | 327 | 610 | +86 |
| K-Mart: K-Mart, Kresge, Payless Drugs, Waldenbooks | 506 | 3,104 | +513 |
| Kroger: Kroger's, Kwik Stop, Price Saver, Time Saver, Tom Thumb Food Stores, Treasury Drug | 694 | 1,919 | +176 |
| The Limited: The Limited, Henri Bender, Lane Bryant, Lerner Stores, Victoria's Secret | [1] 336 | 1,135 | +238 |
| Longs Drug Stores | [1] 209 | 417 | +99 |
| Lucky Stores: Lucky, Eagle Food, Kash 'n Karry, Food Basket | 501 | 788 | +57 |
| Mariott: Marriott Hotels, Big Boy, Roy Rogers | 573 | 893 | +56 |
| May Department Stores: Caldor, G. Fox, Goldwater's, Hecht's, Kaufmann's, Loehmann's, Lord & Taylor, Payless ShoeSource, Sibley's, Venture Discount | 678 | 1,640 | +142 |
| McDonald's | 544 | 603 | +11 |
| Melville: CVS Drugs, Chess King, Kay Bee Toy & Hobby, Linens 'n Things, Marshall's, Thom McAn Shoes, Wilson's House of Suede | 663 | 1,049 | +58 |
| Mercantile Stores: J. Bacon & Sons, Castner Knott, Gayfers, Hennesey's, Joslin's, de Lendrecie's, Lion, McAlpin's, JB White | 504 | 804 | +59 |
| National Medical Enterprises: Hospital Chain, Nursing Home Chain | 608 | 972 | +60 |
| Pacific Lighting: Gart Bros. Sporting Gds, Rexall Square Drugs, Thrifty Drugs | 342 | 1,895 | +454 |
| JC Penney | 802 | 1,058 | +32 |
| Pepsico: Kentucky Fried Chicken, H. Salt Seafood, Pizza Hut, Taco Bell | [1] 642 | 910 | +42 |
| Pic 'N Save | [1] 331 | 550 | +66 |
| Pillsbury: Burger King, Bennigan's, Godfather's Pizza, Quik Wok, Steak & Ale | 515 | 1,383 | +168 |
| Rite Aid: Rite Aid Stores, Drug Fair, Gray Drug, SupeRx, ADAP Auto Parts, Encore Books | [1] 380 | 545 | +43 |
| Sears-Roebuck | 1,010 | 2,097 | +108 |
| Southland: 7–11, Chief Auto Parts, High's Dairy, Quik Mart | 571 | 806 | +41 |
| Stop & Shop: Stop & Shop, Bradlee's | 354 | 1,520 | +329 |
| Supermarkets General: Pathmark | 387 | 768 | +98 |
| Super Valu Stores: Cub Food Stores, County Market Stores, Hornbacher's Supermarkets, ShopKo Stores, Sunflower Food | 294 | 683 | +132 |
| Walgreen: Walgreen, Humpty Dumpty, Robin Hood Restaurants, Wag's Restaurants | 525 | 962 | +83 |

COMPENSATION PAID TO CHIEF EXECUTIVE OFFICERS OF MAJOR RETAIL TRADE AND SERVICE INDUSTRY EMPLOYERS, 1981–1986—Continued

[Compensation in thousands of dollars]

| Corporation | Compensation 1981 | Compensation 1986 | Percent change |
|---|---|---|---|
| Wal-Mart Stores | 262 | 349 | +33 |
| Wendy's International | [1] 387 | 494 | +28 |
| Wickes Companies: Orchard Hardware, Wickes Furniture, Builders Emporium | 794 | 1,503 | +89 |
| Winn-Dixie Stores: Winn-Dixie, Table Supply Food Stores | 456 | 541 | +19 |
| FW Woolworth: Woolworth's, Foot Locker, Kinney Shoes, Anderson-Little, Kids Mart, Herald Square Stationers | 400 | 2,216 | +454 |

[1] 1982 Compensation; 1981 data not available.

Note: Compensation includes salary, bonus, payments made under long-term compensation plans, stock awards, thrift plan contributions, and other benefits as reported on annual proxy statements filed with the SEC.

Sources: "Who Gets the Most Pay" Forbes, June 7, 1982; "Who Gets the Most Pay" Forbes, June 6, 1983; "What Your Boss Makes", Forbes, June 15, 1987; "The CEO 1000", Business Week, Oct. 23, 1987.

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. ARMEY].

Mr. ARMEY. Mr. Chairman, I yield to the gentleman from North Carolina.

Mr. BALLENGER. Mr. Chairman, I am 100 percent for the Goodling/Penny substitute.

Tomorrow, the House will have the opportunity to support the Bush compromise on minimum wage legislation. The compromise bill will be offered as a substitute to H.R. 2 by Representative BILL GOODLING and TIM PENNY.

While I would have preferred a chance to consider the Family Living Wage Act which expands the earned income tax credit, this sensible solution was not allowed to be debated by the House. Therefore, my friends, I support the next best alternative. The Goodling/Penny substitute. The substitute:

Raises the Federal minimum wage to $4.25 per hour over 3 years;

Increases the tip credit from 40 to 50 percent;

Expands the small employer exemption to $500,000 for all businesses;

Creates a training wage for 6 months at $3.35 per hour for new hires; and

Includes strict enforcement provisions against displacing employees to hire new workers after 6 months.

The Goodling/Penny substitute is an important compromise because it preserves job opportunities for thousands of workers. Under the bipartisan substitute, 200,000 jobs will be saved with a minimum wage of $4.25, 169,000 jobs will be saved with a 6-month training wage, 36,000 jobs will be saved by increasing the tip credit, and 18,000 jobs will be saved by expanding the small business exemption.

Raising the minimum wage to a higher level of $4.65 or $4.55 per hour would result in a loss of jobs and hurt the very individuals it is intended to help. The adverse effects of an increase in the minimum wage go beyond the loss of jobs and the reduction of entry level opportunities for minorities and teenagers. Increasing the minimum wage raises labor costs and the costs of production. Businesses can either try to offset these increased labor costs by reducing the number of employees on the payroll, by passing the extra costs on to the consumer, or both. Increases in the inflation rate and in unemployment are likely results.

The minimum wage bill represents the first legislative test for the Bush administration. President Bush indicated during the 1988 campaign that he would support an increase in the minimum wage, and he has sent his proposal to Congress. It is a workable alternative that I think we all can support.

President Bush has indicated that legislation "outside these parameters would call for a veto." So vote "yes" on the Goodling/Penny bipartisan substitute. It's the right thing to do!

Mr. ARMEY. Mr. Chairman, I rise in opposition to an increase in the minimum wage, and I do so precisely because it is so clearly unfair. We are making public policy and public policy is, in fact, the imposition of the will of the State against that of individuals, and any time we make public policy it is axiomatic that there will be come winners and some losers, and I have risen today on behalf of the losers in this legislation. I understand we have had a lot of difficulty understanding who will lose, on whom we will inflict pain by this raise.

It is often presumed that there are no losses, there are no losers. In order to illustrate this point, let me ask that we engage in a mental experiment. Let us assume for a moment that we brought forward, under our belief that there is no cost, there is no down side, a minimum wage recommendation of $10 or $20 an hour. If in fact we were to do that, we would not be bickering about this business of elevating the incomes of the working poor. If in fact we could do that without eliminating the worker and the working poor we would probably be disposed to do it.

□ 1830

But we are all acutely aware of the fact that to raise the minimum to $20 an hour would destroy millions of jobs, and nobody would be considered reasonable in this body if they were to vote for legislation that destroys millions of jobs.

What is the difference between $20 an hour and $4.65 an hour? The difference is a matter of degree. The very, very, cautious Congressional Budget Office has even estimated, with its caution, that we would destroy a quarter of a million jobs with this raise.

Mr. Chairman, this bill is an example of "jobacide," and we ought to have the compassion and the understanding to vote it down.

Mr. MURPHY. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. GONZALEZ].

Mr. GONZALEZ. Mr. Chairman, let me say this: It is a privilege to rise in behalf of this denuded minimum wage bill. It is outrageous to hear the arguments I have heard this afternoon.

In 1938, I was in school in San Antonio, and we had a raging controversy about the pecan shellers who were

earning one penny and a half per pound of pecans shelled. We had then homework farmed out on infants' dresses and the hem stitching of those dresses. Then in 1938, we saw the enactment of the first law under the Fair Labor Standards Act.

Those same clothing manufacturers sent a telegram this long to President Roosevelt, and they said, "If you force us to pay 20 cents per hour, we will have to fire people, we will have to cut production, and we may even have to shut our doors."

Today I have been getting letters from almost every restaurant, hotel, and quick food enterprise in my district saying that if they have to pay even this minimum, they will have to go out of business and jobs will be lost.

Do the Members know what Franklin Roosevelt did with that telegram? I think everybody knows what he did. He pulled a chain on it. One year later those same manufacturers had double production, were paying 20 cents an hour, hired employees, and cut out under a union contract for the first time the farming out of homework, which ironically this administration's Labor Department is now trying to sanction and foist on the American people.

I say that we ought to be ashamed of having had this long period of no realization of the need to have an improvement in the minimum wage scales.

Mr. Chairman, I salute the chairman of the subcommittee, I salute particularly the chairman of the committee, the gentleman from California [Mr. HAWKINS], who has been in the forefront of this fight, and I want to offer my meager help and come out resoundingly in favor of this bill.

Mr. GOODLING. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. HENRY], and I take 2 seconds of the time to say that I believe we were talking about World War II days.

Mr. HENRY. Mr. Chairman, I rise in support of Mr. GOODLING's substitute to H.R. 2 in the belief that it addresses the issue of raising the minimum wage without threatening the well-being of those very individuals we are most trying to help.

Today, a record number of Americans are in the work force. We have more than 116 million working Americans. A lower proportion of that work force is receiving the minimum wage than at any other time in the history of the Fair Labor Standards Act. The Department of Labor estimates that only 4 percent, or just over 4½ million workers, are receiving compensation at the minimum wage level.

What is particularly important to note is that of the 4 percent, 85 percent are part-time workers. Only 700,000 workers out of the 116 million working Americans are working full-time at the minimum wage, roughly six-tenths of 1 percent of the entire national work force meet that definition.

Of that six-tenths of 1 percent, only 200,000 are heads of households living at or below the poverty level. In other words, if the effort is being made to "lift working Americans out of poverty" with this legislation, we are directing our efforts to about two-tenths of 1 percent of the entire American work force, about 200 households.

Any increase in the minimum wage bears with it the risk of job elimination. In fact, at least 60 studies indicate that the amount of lost jobs, at least in the short run, will likely exceed the 200,000 people it is supposed to help. Who are those most at risk of losing their jobs with this well-intended legislation? Disproportionately, those most at risk will be those with such minimal skills that they have not been in a position to demand higher compensation in the marketplace. We run the risk of hurting those we most seek to help, while at the same time taking a step that potentially affects the entire economy. The risk-benefit equation of what we are doing today is not well understood.

Further, Mr. Chairman, I call our colleagues' attention to other wage-benefit bills now under consideration by the House and other body. Minimum mandated health benefits, minimum mandated leave benefits, child care legislation, and so forth, are but a few examples. What is the cumulative effect of these legislative proposals in combination with the proposed increase in minimum wage? This Congress has not been careful in establishing public priorities with questions of public spending and national deficit. Let us not make the same mistake by additional spending which is now to be imposed upon the private sector.

We have enjoyed a period of unprecedented economic growth in our Nation. A greater proportion of Americans is now working than at any other time in our Nation's history. The percentage of those receiving minimum wage compensation has dropped to its lowest level in our national history. The reported unemployment rate has dropped to its lowest level in many years. Why should we risk the good of the many in what may be a counterproductive gambit to assist two-tenths of 1 percent of the American working population? Why not consider alternatives such as earned income tax credits for this targeted population?

Mr. GOODLING's substitute to H.R. 2 addresses the problem of insuring that the minimum wage rises to respect the true cost of labor in our economy without risking raising the minimum artificially in such a manner as to risk inflation, higher interest rates, and lower employment. In that spirit, I strongly support the substitute and ask my colleagues to join with me in that effort.

Mr. MURPHY. Mr. Chairman, I yield 4 minutes to the gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. Mr. Chairman, today we will consider H.R. 2, the Fair Labor Standards Amendments of 1989. As the Representative of New Mexico, I am greatly concerned about the working poor of my State and of this Nation.

Census information indicates New Mexico ranks 48th in the Nation in levels of per capita income, and more importantly, over 35 percent of New Mexicans were making at or near the minimum wage in 1980. Our situation is made worse due to the poor distribution of income in New Mexico where a few people hold an inordinate share of the wealth.

These inequities make passage of the fair labor standards amendments imperative for the working poor of New Mexico. More importantly, restoring the minimum wage is critical for all workers who lack a political voice.

The minimum wage was last increased in 1981 to its present level of $3.35. However, as a result of inflation the purchasing power of those earning the minimum wage has declined 21 percent since 1981. In this same period, we increased Social Security benefits by 45 percent. In other words, the purchasing power of today's minimum wage is a mere $2.65. More importantly, had the minimum wage kept pace with inflation since 1981, it would now be at $4.57 an hour.

Poverty rates provide even more telling information. In the sixties and seventies, a minimum wage worker supporting a family of three was able to earn enough to keep his or her family above the poverty line. Today's full-time minimum wage makes under $7,000 a year. This is 29 percent below the poverty line for a family of 3. Even with the $1.30 increase mandated by H.R. 2 over the next 3 years, minimum wage workers will still be at only 89 percent of the poverty level—for a family of 3—in 1991.

Given inflation, and reductions in purchasing power, no one in America should be asked to provide for all of their family's needs on just $7,000 a year. We must return the minimum wage to a living wage for all Americans.

This brings me to a critical point. There has been much debate about just who the average minimum wage earner is. For the record, I would like to clarify that the average minimum wage earner is not a teenager trying to earn spending money. The average minimum wage earner is usually a woman or minority who is the sole support of his or her family. Adults make up 84 percent of those making the minimum wage. Moreover 64 per-

cent of minimum wage earners are women.

I also want to point out that H.R. 2 is a fair and equitable bill. As we raise the minimum wage it is important that we not break the backs of small business owners who provide employment for many of the workers in my State and across the country. For this reason, I am pleased H.R. 2 increases the small business exemption. Currently, small businesses whose annual gross volume of sales is less than $362,500 are exempted from minimum wage standards. Raising the exemption to $500,000 will provide stability and protection to the Nation's small business community.

I am also pleased H.R. 2 raises the tip credit to 50 percent of the minimum wage in 1991. Currently, employers can take a tip credit of 40 percent if waiters and waitresses tips are at least equal to the minimum wage. With the proposed increase in the minimum wage, many small restaurants in my district would simply be priced out of the market.

Raising the tip credit protects the financial viability of small restaurants, protects the jobs of many minimum wage earners and guarantees waiters and waitresses the minimum wage at all times, regardless of tip earnings.

In closing, H.R. 2 is a critical first step in recapturing some of the wages lost by the working poor of America in the last 8 years. Passage of H.R. 2 will demonstrate our commitment to the working poor of this Nation.

□ 1840

Mr. GOODLING. Mr. Chairman, I yield 4 minutes to the gentleman from Illinois [Mr. FAWELL].

Mr. FAWELL. Mr. Chairman, I realize that raising the minimum wage, seems virtuous. The claims are that it will help the poor who support families. The truth is, however, that poverty and minimum wage populations, for the most part, represent two different groups. Of the 3.9 million minimum wage population, only 336,000 overlap into the 20.7 million poverty population. The Department of Labor reports that at least 130,000 of these are supporting only themselves. The minimum wage increase is clearly not an antipoverty weapon. In addition, by mandating wage increases at this time, Congress is increasing unemployment and daring wage inflation to ignite.

Who are America's 3.9 million minimum wage earners? According to the U.S. Department of Labor: 80 percent are not poor; over 90 percent are part-time or part-year workers. Most are young: One-third are teenagers, and two-thirds are under 24 years of age. According to the House Committee on Small Business, 93 percent do not maintain families.

One-third of minimum wage earners work in restaurants where additional income from tips customarily puts their actual earnings well above the minimum wage. In Washington, DC, I know of waiters and waitresses who earn as much as $25,000 per year, thanks to tips. They are counted as minimum wage earners. Another 16 percent are in sales. Many of them make commission, also putting them well above the minimum wage, and mistakenly within the minimum wage classification.

The Congressional Budget Office [CBO] reports that raising the minimum wage to $4.65 per hour "would cause a loss of approximately 125,000 to 250,000 jobs." The Department of Labor estimates between 400,000 to 800,000 jobs would be lost. The relatively small number who are poor and on minimum wage would be the first to lose their jobs.

Since many collective bargaining agreements are tied to the minimum wage, an increase in the minimum wage has a ripple effect escalating other wages. Accordingly, the CBO projects raising the minimum wage would fuel the flames of inflation. Chairman Greenspan of the Federal Reserve agrees.

During the last minimum wage increase—phased in from 1978 to 1981—inflation increased from 7 to 12 percent, and the prime rate exploded from 8 to over 20 percent as the economy went into recession. The economic downturn of this period was not due solely to the minimum wage increase, but studies have verified it was a contribution factor. Clearly, the one thing Congress ought not to be doing is encouraging wage inflation. Ironically, the poor will suffer most from inflation, rightfully called the cruelest tax of all.

Given that we know that the poverty population and minimum wage earners are, by and large, different people and that significant job losses and damage to the economy will result from an increase, raising the minimum wage hardly seems the best solution for helping the poor. A lot more damage than good will be done.

We have a skills gap rather than a wage gap. Raising the skill level by better education and job retraining, or increasing after-tax income of low wage earners provide better alternatives than mandating minimum wage increases. These alternatives are targeted to help the poor who are trying to support families, while leaving intact entry-level job opportunities without raising unemployment and fueling inflation.

Mr. Chairman, it should not surpass our ingenuity or generosity to help the working poor, especially those supporting families, without destroying jobs and igniting wage inflation.

Mr. MURPHY. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. HAWKINS], the chairman of our full Committee on Education and Labor. I thank him for the efforts that he and his staff have made diligently week after week to bring this measure and debate to the point where it is today.

Mr. HAWKINS. Mr. Chairman, I wish to thank the gentleman from Pennsylvania [Mr. MURPHY] for the leadership he has given today and as chairman of his subcommittee in bringing this issue to the point that it is today.

I would like to also commend the gentleman from Pennsylvania [Mr. GOODLING], the ranking minority member, for the manner in which he has engineered the debate, I think at a very high level, and we certainly are appreciative of that.

As a matter of fact, Mr. Chairman, I am very proud of the members of the committee for their perseverance and their faithfulness to duty.

There is a sharp difference obviously on this issue. I think that, if many others had supported many of the programs that the committee had created in the field of education and labor, perhaps this debate would have been unnecessary. But unfortunately, even though I think the committee has given great leadership in the field of employment and training, we have not been given the financial support which I think is needed in so many of these programs. I refer to the education programs, the Job Training Partnership Act. Other programs that have been prominent in this debate have been reduced so drastically since 1979 under both Democratic and Republican administrations.

I never dreamed, as the author of this little bill merely calling for some adjustment in the rate based on the erosion that inflation has caused, that the bill would have picked up such controversial baggage as it has—the tip credit, the small business exemption, the training wage. Unfortunately that is so.

I am not so sure whose statistics we should use in the debate. Obviously there is a sharp difference in that. I cannot help but believe that the Department of Labor is not entirely objective. I believe that the Department of Labor is in the lead in trying to depress wages in order to help certain selfish interests. I do not believe that that is the correct position that a Department of Labor should take. I think that is something new. It has not prevailed in the Department of Labor until this decade. We had five Secretaries of Labor prior to 1981 who supported a continuation of increases or adjustments in the minimum wage. This was under both Republican and Democratic administrations. I cannot help but believe that the deviation from that early history by the Department of Labor is in the wrong direc-

tion. I think it injures the country today. Mr. Chairman, it certainly injures working men and women.

From 1938 to 1981, we had 15 changes in the minimum wage. If the half-truths that have been circulated today; that is, that a change in the minimum wage causes unemployment to the extent that has been alleged, why is it that those years between 1938 and 1981 this did not occur? I think others who have spoken before me have referred to the misinformation that was in opposition to the minimum wage.

□ 1850

I lived through most of that. I was in public office for over 50 years. I have heard those same arguments. I have heard the chamber of commerce in my State of California in the early thirties tell me I was wrong in supporting the minimum wage at the State level because it should be a Federal minimum. Then when I came to the Congress, the same ones told me that it should not be a Federal minimum, that we should rely on the States to do it. So they have changed their story.

I think what is propelling this debate is the selfish interest of a few business persons, not the average business person in America, and certainly not one that represents the best of corporate America.

I think as President Franklin Delano Roosevelt said in 1938 in discussing the minimum wage issue, there are a few selfish economic royalists in the temple who are seeking to maintain an undue profit off of human beings, and he specified at that time those individuals.

We are a little bit more sophisticated now. We do not like to call out names; we do not like to indicate who it is who are behind these numbers of studies that were supposed to have been made. These studies have circulated out of one or two central offices. They were not at random. They were not by economists who are objective in their point of view. They were planted in newspapers across the country. So you will see plenty of that type of propaganda.

The CHAIRMAN. The time of the gentleman from California [Mr. HAWKINS] has expired.

Mr. MURPHY. Mr. Chairman, I yield the gentleman an additional 3 minutes.

Mr. HAWKINS. It seems to me that if raising the minimum wage would throw thousands of people out of work, it should have happened during this long period of time. Why does it not happen at State level? We have some 12 States that have moved ahead of the Federal minimum wage. The same cry was made in my own State of California when we raised the State minimum to $4.25. No businesses moved out. We did not have the business failures that they speak of. We did not have the so-called impact on teenage unemployment. Teenage employment increased.

The same was true in Massachusetts and in Connecticut. No businesses in Connecticut moved across the line to New York because Connecticut raised its minimum wage.

So the empirical evidence, I think, sustains the fact that a decent wage helps the economy. The strongest economy in this country is not one which has the low wages. It is in those States with decent wages, and those States are thriving.

It would seem to me that some individuals should be aroused to that fact that we do not thrive as a great power by depressing the wages of those at the lower end.

It seems, therefore, we are being moved in this debate by outside forces, not by our own consciences and not by our own convictions.

It would seem to me that we should tell these special interest groups that are opposed to increasing the minimum wage that the time has come for them to join the American scene.

The bottom line of their position is that they do not want any rate. They do not want the $4.25 rate. The threat of a veto is exactly what they want. They do not want any legislation whatsoever. They want that minimum wage rate to erode until it becomes meaningless. That is just the opening step to destroying the Fair Labor Standards Act, going back to child labor, going back to overtime, excessive overtime without adequate compensation, going back to unsafe health and safety conditions that we had prior to 1938.

It should be our goal to defeat that move, to defeat what they are attempting to do. They are trying to drive us into the position that we will not have a bill that the President will sign and a vote will simply perpetuate an eroding minimum wage level.

I cannot but believe that this administration will one day be convinced that this is the right step. Certainly I do not feel that we have a President in the White House who will be so insensitive to the development of joblessness in America. In that hope and that expectation, I think we should move ahead.

Mr. GOODLING. Mr. Chairman, I yield 3 minutes to the gentleman from Vermont [Mr. SMITH].

Mr. SMITH of Vermont. Mr. Chairman, I rise today because of my deep concern that the approach to national wage policy contained in H.R. 2 is incomplete and flawed.

I share the stated goal of H.R. 2, that is to improve the wages of our least paid workers. Indeed, on the surface this bill looks like motherhood and apple pie, but when you scratch the surface, you find a bill that while raising the wage base, fails to focus on low-income families. Even in my own State of Vermont, which is among the poorest per capita in this Nation, this bill will not make much of a difference.

Virtually every study of this bill concedes that it could cost hundreds of thousands of jobs, thereby hurting the very people that we are trying to help.

Now, there has been some confusion, and even the distinguished chairman of our committee has wondered about the confusion of the numbers; but in fact one of the reasons the numbers are confused is that our own Congressional Budget Office, an office we consider to be an unimpeachable source of information when compared to other executive branch offices, when that office brought numbers to this body last year, they talked about hundreds of thousands of jobs lost.

That study was censored and kept from the membership, a fact little known by the people of this country. The people who were caught and lost by that censorship are the people who will be hurt by this bill. They are young wage earners, just over the age of 18, family leaders, people who will be driven from permanent minimum wage jobs to part-time minimum wage jobs.

We need to add a component to this that would substantially improve the pay of low-income wage earners without risking jobs. That alternative is called the family living wage bill. Combined with a more modest increase in the minimum wage, the living wage policy would expand the income of working families below the poverty level in America without threatening job security. The living wage bill focuses what we do not have enough of—and that is money—on something that we have got too much of in this country, and that is poverty.

If my colleagues really want to help people, I urge them to support a minimum wage package which includes the living wage alternatives.

We are all here to help others, and that is what the living wage alternative, along with the Goodling-Penny amendment would do. If the living wage proposal is not addressed in whatever minimum wage bill we finally approve here this week, I hope we will take it up very soon, so that it can become part of a responsible and effective response to helping low-income Americans. We can begin that process by supporting the front end of a coordinated response, the Goodling-Penny amendment today.

Mr. MURPHY. Mr. Chairman, I yield 5½ minutes to my colleague, the gentleman from Pennsylvania [Mr. RIDGE].

Mr. RIDGE. Mr. Chairman, I rise in support of restoring the minimum wage as a valid floor wage for hard-

working Americans. This will not be an easy task and I want to acknowledge the fine work done by both the Chairman, Mr. HAWKINS and the ranking member, Mr. GOODLING on H.R. 2.

Considerable differences remain between the position of the House and the position held by the Bush administration. If we are all truly interested in restoring the minimum wage, we need to resolve those differences in the coming weeks. It is my hope, through the enactment of a compromise I am proposing with two of my distinguished colleagues, Mr. MURPHY of Pennsylvania and Mr. ROBINSON of Arkansas we can accomplish that mutual goal.

The House, through our substitute, can demonstrate its willingness to meet the administration at least partway. The Murphy-Ridge-Robinson substitute will not satisfy the objections of opponents of restoring the minimum wage. But, it does include some significant adjustments to the H.R. 2 as approved by the Education and Labor Committee.

The Murphy-Ridge-Robinson substitute will modify H.R. 2 in three basic areas. First, it reduces the level of the wage increase over 3 years by 10 cents or from $4.65 to $4.55. This reduction may appear trivial but it cuts the difference between the Bush administration position and the House position by 25 percent. If this step toward compromise were met by a similar concession by the administration, only 20 cents would separate the House and the President.

The second and more important change contained in our substitute is the provision of a 60-day new hire wage for employees entering the work force. The new hire wage would start at $3.35 on September 30, 1989, and would run at 85 percent of the minimum wage for the two increments to follow. This new hire wage is not a training wage. It is a subminimum wage that encourages employers to hire those individuals, mostly youth, who are entering the work force for the first time and whose work habits are not yet established. The House has never approved a new hire or a training wage before. The inclusion of this new hire wage for first time employees is a major concession and, if approved, would considerably narrow our differences. It is a fundamental concession and again moves the House toward the administration's position.

The third and final provision of the Murphy-Ridge-Robinson substitute would expand the current small business exemption contained in H.R. 2. While the committee-approved bill increased the small business exemption from $362,500 to $500,000 in annual sales, it continued to apply this exemption to retail service employers only. Our substitute would give all small business employers, retail service, agricultural or any type of small business the exemption from the minimum wage law. The administration wanted this wider exemption and our substitute meets their demand for coverage of all business under $500,000 in sales.

My colleagues, the substitute we will offer satisfies almost no single Member of this body but it is the best alternatives. Much of organized labor and many longtime supporters of the minimum wage will argue that too much has been sacrificed in our substitute. To them, I ask what is achieved by a Presidential veto that will most definitely be sustained. The poor workers who we seek to help will continue to be paid $3.35 and the stalemate would go on for 8 more years. These workers have already lost 27 percent of their purchasing power to inflation and their current wage is only worth $2.52 in 1981 dollars. Inflexibility will not serve the interests of the minimum wage worker putting in a hard 40-hour week.

Administration will argue that our substitute does not go nearly far enough and has argued that it is their package or no package, their way or the beltway. To my friends in the administration, I plead for flexibility. Our substitute, if approved, will clearly move us closer together and reduce the confrontation that is sure to ensure in any conference between the two chambers of Congress. Our substitute, in my view, makes compromise possible if compromise is to be considered. If it is not, then the stalemate will continue. And if we are all committed to restoring the minimum wage, we must do all we can to eliminate the stalemate.

It is for my colleagues, in the final analysis, to decide what is a balanced and fair minimum wage bill. The current minimum wage is 29 percent or $2,900 below the estimated poverty for a three person family. It is at a historic low, relative to average wages and it should be clear that raising the wage to $4.55 falls slightly short of even restoring the wage to the estimated level of poverty for the same family of three. I ask that my colleagues show that concern for these workers who prefer the dignity of work over dependence on others by enacting the Murphy-Ridge-Robinson substitute and, after that, H.R. 2.

□ 1900

Mr. GOODLING. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, I would not want, if there is still anybody listening or looking at TV, I would not want them to believe, as a matter of fact, that we are talking about a new hire in the Ridge bill. We are talking about a first hire. I do not know who that is. Even a paper carrier, I suppose, would not qualify, because they have already been hired.

The gentleman talks about reducing the increase by 10 cents. They have accelerated getting there to the point that they have gained nothing through that, so I want to make sure, and I know he would want his colleagues, at least on my side of the aisle, to understand that.

Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. UPTON].

Mr. UPTON. Mr. Chairman, I rise in strong support of the Goodling-Penny-Stenholm substitute to H.R. 2.

I support the Goodling substitute because I am concerned about jobs. I support it because I am especially concerned about jobs for teenagers, young adults, and minorities. I support the Goodling substitute because I am opposed to teenage unemployment, to youth unemployment, and to minority unemployment.

Unfortunately, higher unemployment is exactly what will result if the Goodling amendment is defeated. You cannot repeal the laws of economics. When jobs are more expensive, there are fewer jobs. That is a simple, basic, economic law—a law which no Congress can repeal.

I urge my colleagues to consider the facts, and not the rhetoric. Economists agree that an increase in the minimum wage results in the loss of job opportunities. Studies show that for every 10 percent increase in the minimum wage destroys 100,000 jobs.

Under H.R. 2, if not amended, that means a destruction of more than ½ million jobs. How can anyone who claims to be for working families and against poverty vote against the Goodling-Penny-Stenholm substitute?

On the contrary, anyone with a sense of fairness and compassion will vote for the bipartisan substitute.

YOUTH ESPECIALLY HURT

Who will be hurt most by defeating the Goodling amendment? Our young people and our minority population.

We all know the good unemployment news. Unemployment is now down to 5.1 percent—the lowest in 14 years. That good job creating news is finally becoming a reality to our youth and minority population. Let us not destroy it.

Two weeks ago, in testimony before the Joint Economic Committee, Dr. Janet Norwood—the head of the Bureau of Labor Statistics—told me that the February unemployment rate fell by 1.2 percent for young adults. Its the lowest in years. This is remarkable success.

Our Hispanic workers are also just beginning to enjoy the fruits of the Republican recovery. Last month Hispanics accounted for 40 percent of last months' job growth, even though they comprise 7.5 percent of the Nation's

workforce. Jobs are growing in the Hispanic community five times faster than for the entire labor force.

But who gets hired last and laid off first when jobs are more expensive. You guessed it—teenagers, young adults, and minorities.

I urge my colleagues to be smart, be compassionate, be fair—support the Goodling substitute.

Mr. MURPHY. Mr. Chairman, I reserve the balance of my time.

□ 1910

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. Cox].

Mr. COX. Mr. Chairman, I rise in opposition to H.R. 2 and in support of the Goodling-Penny-Stenholm bipartisan substitute which is endorsed by President Bush.

No less a liberal bastion than the New York Times has supported President Bush's arguments that the substantial increase in the minimum wage being urged here today is a bad idea. In an editorial today, the New York Times said, "An increased minimum wage is no answer to poverty".

On January 14, 1987, the New York Times—in an editorial titled, "The Right Minimum Wage: Zero," set out in great detail the arguments in favor of expanded opportunity for the working poor—and against the minimum wage. I'd like to share a portion of the Times editorial with you now, because it is right on target in this current debate.

> The Federal minimum wage has been frozen at $3.35 an hour for . . . years. . . . It's no wonder, then, that Edward Kennedy, the . . . chairman of the Senate Labor Committee, is being pressed by organized labor to battle for an increase.
>
> No wonder, but still a mistake. . . . [T]here's a virtual consensus among economists that the minimum wage is an idea whose time has passed.
>
> Raising the minimum [wage] by a substantial amount would price working poor people out of the job market. . . . It would increase employers' incentives to evade the law, expanding the underground economy. More important, it would increase unemployment. . . .
>
> If a higher minimum [wage] means fewer jobs, why does it remain on the agenda of some liberals? . . . Perhaps the mistake here is to accept the limited terms of the debate. The working poor obviously deserve a better shake. But it should not surpass our ingenuity or generosity to help some of them without hurting others. . . . The idea of using a minimum wage to overcome poverty is old, honorable—and fundamentally flawed. It's time to put this hoary debate behind us, and find a better way to improve the lives of people who work very hard for very little.

That is what the New York Times has said. Frankly, Mr. Chairman, I could not have put it better myself.

Mr. GOODLING. Mr. Chairman, I yield 4 minutes to the gentleman from Florida [Mr. BILIRAKIS].

Mr. BILIRAKIS. Mr. Chairman, we all want what is best for the American people, for people everywhere, I guess, jobs, job opportunities, trying to keep costs down. How do we go about that?

I say the way we go about it is less Government interference in our lives, and particularly in the lives of our employers, because after all, as I have heard Mr. Kemp say so many times, it takes employers before you can have employees.

Mr. Chairman, an important question has not been answered in all of the debate, at least that I have heard so far here today, and that is what effect would raising the minimum wage have on our elderly Americans, individuals living on fixed incomes? As a Member of Congress who represents an area with one of the highest percentages of senior citizens in this country, I find this question extremely troubling. I am very disturbed by economists' predictions that should this minimum wage legislation be enacted into law, the cost of living—we have not talked as far as I know about the cost of living so far in this debate—the cost of living in our Nation could increase dramatically.

The Congressional Budget Office, not OMB, but the Congressional Budget Office confirms this fear by projecting that raising the minimum wage will increase inflation at a time when inflation is already on the rise. Persons who would be most affected by an increase in inflation will be those individuals who live on a fixed income, primarily our low-income elderly.

Proportionately, Mr. Chairman, what do senior citizens spend their money for? I say that proportionately or disproportionately, if you will, they spend it mostly on services, food in restaurants, at supermarkets and convenience stores, drycleaners, laundries, gas stations, small drug stores. These are the types of businesses I feel will be more affected by an increase in the minimum wage and, therefore, our senior citizens will be more adversely affected than the rest of Americans to that effect.

Additionally, as far as jobs are concerned, I am not going to go into the statistics because we have heard them, and we will hear them. But jobs regarding the elderly, I see in my district many senior citizens who cannot live on their small Social Security checks, or whatever other pensions they might get. They have to get part-time jobs. They are not going to get as many part-time jobs, they will not be as available to them if we raise this minimum wage.

Additionally, there is one specific illustrative way that an increase in the minimum wage would eliminate jobs of older workers in addition to these that I have mentioned. The Senior Community Service Employment Program, SCSEP, authorized by title V of the Older Americans Act, provides part-time jobs in community service to low-income persons who are 55 years or older, primarily at the minimum wage. At current appropriation levels of $331 million, the SCSEP Program provides about 64,800 jobs to workers who work an average of 20 to 25 hours a week. An increase in the minimum wage, assuming no increase in the Federal appropriations, would reduce the number of jobs provided under this program to about 48,000, or a job reduction of over one-quarter. The alternative would be to increase the program appropriations to $442 million per year, or an increase of nearly one-third. In short, raising the minimum wage will cost 16,700 jobs for older Americans just in the SCSEP Program, or else it will cost the Federal Treasury $101 million additional in outlays.

Mr. DE LUGO. Mr. Chairman, I rise today in support of H.R. 2, the Fair Labor Standards Amendments of 1989, and I hope that my colleagues will support this bill.

I commend the chairman of the Education and Labor Committee, Mr. HAWKINS, and the chairman of the Labor Standards Subcommittee, Mr. MURPHY, for moving so quickly with this important bill.

Congressman MURPHY is a good friend and a former resident of the U.S. Virgin Islands who worked in committee to craft the amendment that applies the minimum wage to the Virgin Islands.

H.R. 2 amends sections 5, 6, 8, and 14 of the Fair Labor Standards Act to remove any reference to the Virgin Islands in the provisions that allow the Secretary of Labor to set lower minimum wages, at the recommendation of special industry committees in certain territories of the United States.

The days of being exempted from increases in the Federal minimum wage are long passed for the Virgin Islands. The people of the Virgin Islands have utilized the tax and economic programs that have been given by Congress over the years to build one of the strongest economies in the Caribbean. To not maintain parity with the Federal minimum wage would diminish the significance of that achievement. Indeed, it would not be fair to the people of the Virgin Islands.

The last increase in the Federal minimum wage occurred in 1981, over 8 years ago. Today's action by the House of Representatives will be a historic moment for the Virgin Islands. The people of the Virgin Islands will make a clean break with the past, ending their days of disparate treatment under our most basic and broad-reaching Federal labor protection law.

Mr. Chairman, I congratulate the members of the Education and Labor Committee for moving expeditiously on H.R. 2 and I strongly urge my colleagues to support this bill today.

Mr. MARLENEE. Mr. Chairman, I need not remind this body that the economic recovery has not reached every area of the country yet. Many businesses in Montana are struggling to get by and they have difficulty in paying the current minimum wage. Regrettably, H.R. 2, which is legislation designed to increase the

minimum wage to $4.65 per hour by 1992, will devastate countless Montana businesses and destroy employment opportunities for thousands of people in Montana.

I will not stand for a proposal that will issue a death warrant for many of Montana's small businesses. Requiring employers to give raises to their lowest paid employees is simply a "feel good" gesture, far removed from reality outside our "ivory tower." This bill, Mr. Chairman, is a misguided attempt to do something about poverty and offers the wrong solution to the problems facing many low-income people.

Minimum wage increases historically have had a devastating impact on the job market. They feed inflation, eliminate many entry-level job opportunities, and rob consumers of needed services. H.R. 2 is not a solution to getting people out of poverty.

Surprisingly enough, the Education and Labor Committee ruled out-of-order the earned income tax credit substitute, offered by my good friend and colleague from Wisconsin. This measure would expand the earned income tax credit to a maximum of $3,850. In addition, PETRI's substitute would expand various tax credits for poor and lower middle-class working families with children and it would repeal the dependent-care credit, replacing it with $4 billion program for low-income working families.

Regrettably, the House defeated this measure in the foolish attempt to grab headlines and "feel good" about doing something for poor people. The Petri substitute offered the real answer to the problem of the working poor. Simply put, increasing the minimum wage will destroy jobs.

According to the Department of Labor, only 336,000 people in the entire United States would truly benefit from an increase in the minimum wage to $4.65. These are individuals defined as heads of households below the poverty line. Yet H.R. 2, by increasing the minimum wage 28 percent over 3 years, would destroy 600,000 to 700,000 of those same jobs.

Mr. Chairman, the vast majority of economists—liberal and conservative—agree: for every 10-percent increase in the minimum wage, 100,000 jobs are lost. That's a fact of life. In fact, even the Congressional Budget Office, which is the economic research arm of the House and Senate, testified before the Education and Labor Committee verifying a 1- to 3-percent job-destruction effect for every 10-percent increase in the Federal minimum wage.

Another independent study by Clemson University found that if the proposed minimum wage is implemented, Montana would lose 2,595 jobs in just 24 months and 6,369 jobs by 1995. In 1987, the annual average teenage unemployment rate in Montana stood at 15 percent. If this minimum wage proposal is passed, Montana teenagers would lose 1,593 jobs by 1990 and 4,669 jobs by 1995, thus increasing teenage unemployment in Montana.

Typical minimum wage earners are single young people who live in households that are above the poverty line. According to the Department of Labor, 70 percent of minimum wage earners are in households where the income is 150 percent or higher of the poverty level, 65 percent work part time, 60 percent are between the ages of 16 and 24, and 72 percent are single.

These young people are the big losers in the minimum wage struggle. They're working part time to learn skills or to pay for college. I'd like to ask how many of you have turned down a young job applicant for lack of practical experience. When these entry level jobs are gone there will be no training ground for the required "practical experience."

Employment and training for our young people are why a suitable training wage is important when considering a minimum wage increase. The substitute amendment offered by my good friend and colleague from Pennsylvania [Mr. GOODLING] has included a sensible training wage proposal. This creates a "new hire" wage of $3.35 per hour in 1990 and makes the wage payable for up to 6 months to a first-time employee, regardless of previous experience.

In addition, this amendment raises minimum wage by 30 cents a year to $4.25 by 1992. It also increases the tip credit from the current 40 percent to 50 percent. This is still a hefty wage increase, but I am willing to go the extra mile and compromise by voting for the Goodling substitute. This measure saves 430,000 jobs over the Democrats' alternative.

Another substitute provision by Mr. MURPHY of Pennsylvania would increase the minimum wage to $4.55 over 3 years with a 60-day training wage. However, this still represents a death knell for thousands of jobs. This substitute will save only 60,000 jobs over the Democrats' first alternative.

Any teenager applying for his first summer job will get this training wage. However, for future jobs, the employer would be forced to pay the minimum wage, regardless of market factors. Finally, this substitute amendment, which calls for the creation of a Minimum Wage Review Board, is a back door to pay increases each year.

H.R. 2 and the Murphy substitute authorizes the establishment of a commission to advise Congress on minimum wage levels in 1992. Recommendations from this commission would automatically take effect the first day of the following year in which they are issued, unless Congress acted to stop them. This sounds like another measure to delegate our authority to an unelected commission to propose solutions to politically sensitive problems. Haven't we learned from the pay raise debacle that the American people do not want us to abrogate our authority to yet another commission?

Mr. Chairman, I encourage my colleagues to save jobs by voting for the Goodling substitute. While support for minimum wage may look good in a press release, in the long-term it is a jobs-destruction bill that will only delay the economic recovery in Montana and across America.

Mr. ROYBAL. Mr. Chairman, today, I would like to express my earnest support for H.R. 2. By now most of my colleagues have memorized all the statistics which support the reasons why this Chamber once again has this vital legislation before us. But in case some have not heard or read, this country has approximately 7 million people earning minimum wage, many make up families which are trying to survive on a wage that is clearly insufficient. The current rate of $3.35 an hour is clearly not meeting those goals for which the minimum wage standard was established. It was created to set a standard equal to 50 percent of the average wage for nonsupervisory private workers, and to keep a family of three out of poverty. In the 1950's and 1960's, the minimum wage was set at about half the average nonsupervisory private wage. In December 1988, it only equaled 35.5 percent of the estimated average wage.

In the 1960's and 1970's full-time minimum wage earnings averaged 103.6 percent of the poverty line for a family of three. In 1989, these earnings will fall 29 percent or $2,900 below the estimated three-persons poverty line. Further, even if this measure does pass, we are still faced with the facts that considering the last minimum wage increase was in 1981, this increase will only restore some of the purchasing power. If the minimum wage had kept pace with inflation, it would currently be $4.57 an hour instead of $3.35.

Another statistical fallacy I would like to put to rest is that the majority of the minimum wage workers are teenagers supplementing their allowances. The majority of today's minimum wage earners are individuals over 20 years of age, way past the allowance stage of their lives. In reality, more than one-fourth of all minimum wage earners are the heads of households and more often than not—a single mother. These earners are no longer just students with part-time jobs, youth at entry level positions, but adults whose families are depending on them for clothing, food and educational needs. This means a lot of Americans, victims of an insufficient minimum wage, are living below the poverty line. The gap between those who live in luxury and those who can barely make a living is growing too large. In a country that personifies so much wealth, this is a disgrace.

With more than 7 million people working at or below minimum wage, it is crucial that something be done to improve its effectiveness. Congress last acted on minimum wage in 1981; thus it has been 8 years. Because the cost of living has risen since 1981, these workers have been left unsuccessfully trying to make ends meet. In many cases, it is more advantageous for a family to be on welfare than to live on a budget from a full-time job at minimum wage. Our country stresses movement from welfare rolls to payrolls. With these facts staring us in the face, where is the incentive to move?

It is vital that the minimum wage be increased and it is past time for this institution to again restore a decent minimum wage to those who have economically suffered too long. I urge my colleagues to join me in passage of H.R. 2.

Mr. WALGREN. Mr. Chairman, the Fair Labor Standards Act Amendments of 1989, H.R. 2, is an important measure that would restore the minimum wage to $4.65 by 1991. I am proud to be a cosponsor of this legislation.

During the past election year, we were reminded repeatedly that the United States is experiencing the longest period of peacetime expansion in American history and that overall employment today far exceeds levels reached

before 1980. If there ever was a time to restore lost purchasing power to the minimum wage, now is the time.

We all recognize that a great number of the new jobs created are, for most part, in the service sector, the lowest wage sector of employment. Service jobs have increased by over 10 percent. While this increase has been occurring, the manufacturing sector has experienced a 10-percent loss of jobs, painfully illustrated by the unemployment felt by steelworkers in my own district. We need to restore the purchasing power of the minimum wage to shore up the purchasing power of the service sector that is having to provide more of the consuming power of our economy.

At the same time, two-thirds of working women work in service related jobs. Employment at minimum wage often provides less toward basic subsistence than reliance on welfare alone. Between 1980 and 1984 the number of persons living in poverty in families maintained by women increased by 12 percent.

Women with the responsibility of heading a household are often forced to take service jobs at very low wages which do not reflect the true costs of living in our society. Restoration of the minimum wage to a living wage is an important part of helping women and families to provide for basic needs. Not to support this bill is to fail to support many American families that deserve better.

In the debate over this issue, we often overlook part of the original intent of the Fair Labor Standards Act [FLSA] which established the first Federal minimum wage. The lawmakers at that time saw this legislation as a labor law, not as the antipoverty measure that is in dispute today. The purpose of the law was to prevent the exploitation of workers on unequal bargaining terms with their employers. The original act was intended to stop wage exploitation or "sweating" and require the employer to meet the basic social costs of maintaining an employee.

Another important purpose of the law has been to put employers on a relatively equal footing. By requiring firms to pay a minimum wage to their workers, the act provided protection to efficient and reputable firms paying fair wages from being significantly undercut by unscrupulous firms paying extremely low wages to their employees. It ensured that wages would correspond to social costs across businesses and industries. These goals set up under the first FLSA are especially relevant today when large numbers of immigrants to our country are coming into the workforce.

I urge my colleagues to support this legislation.

Mr. STOKES. Mr. Chairman, I rise today to support H.R. 2, the Fair Labor Standards Amendments of 1989. I have long been an advocate of raising the Federal minimum wage to enable the lowest paid working men and women of this country to earn a living wage. The minimum wage was last raised in 1981, and since that time the real value of the wage has declined by nearly 30 percent.

Opponents of increasing the minimum wage have used the same arguments for 50 years to convince the public of the danger of increasing the minimum wage, despite the fact that their theories are totally unsupported by facts. These opponents maintain that any wage increase would result in job losses and higher inflation, but over the last 50 years, the minimum wage has been increased 11 times, and employment has never fallen as a result of the increase.

The most important reason that we must increase the minimum wage is to provide an actual living wage for the workers who put in 40 hours of work a week, for 52 weeks a year, and still earn $3,000 less than the poverty level for a family of three in 1988. This disgraceful and shameful situation cannot be allowed to continue any longer. We must vote to pass H.R. 2, and give the minimum wage worker a measure of dignity. It is a matter of simple economic justice.

Mr. LAGOMARSINO. Mr. Chairman, as we consider raising the minimum wage today it must be recognized that we are considering the employment, and therefore the well-being of working men and women throughout the Nation. It is not sufficient to evaluate a raise in the minimum wage as though it did not have effects other than increasing the salary of a relatively small segment of the work force. To assume that an increase in this earning category of pay for laborers translates into higher earnings for them is an incorrect conclusion. While we are entitled to our own opinions, we are not entitled to our own facts. The fact is that a raise in the minimum wage is necessarily accompanied by the loss of a significant number of jobs. It is a disservice to the American people to accept the view that no job is better than a higher paying job. Yet this is precisely what those who advocate an across the board raise in the minimum wage must believe.

During the last 8 years, we have witnessed the creation of 19 million new jobs. Since 1982, there has been a 40-percent decrease in the number of workers who actually earned the minimum wage. In fact, in 1981, 11 percent of the labor force earned the minimum wage and today only 4 percent of the labor force is paid this wage. Clearly, there are now more jobs for Americans who are able to work. It is also clear that there are less workers earning the minimum wage than did before these jobs even existed. Consequently, Americans have more jobs today and earned more with these jobs during a period of time when no increase in the minimum wage was mandated by Federal law.

We are on the right course now since more people are working and earning more than they were 8 years ago. However, it is not necessary for one to view the debate over the minimum wage as though there is not a legitimate concern for assisting heads of households who earn the current minimum wage. I am concerned about these workers earning a fair standard of living. I am also concerned about preserving a job market where young people are able to gain valuable experience so that they can eventually move up the pay scale within the organization where they are employed. Sixty percent of minimum wage workers are under 25, most of these people work part time and the vast majority of these individuals eventually move to higher wage rates. If we are not prudent in our approach to addressing the question of fair pay for workers we could not only cause a loss of existing jobs but also created the loss of future job opportunities. For each 10 percent increase in the lowest pay category, studies indicate between 100,000 and 200,000 employment opportunities are lost. Those minimum wage workers who are under 25 will lose valuable work experience. The first question asked of a young person when applying for a job is what experience they have. If we raise the minimum wage without keeping these people in mind it will mean not only the loss of jobs they may already have, but also the loss of jobs they hope to have. This does not benefit anyone. This is why I support the President's and the minority's substitute approach. Both the concerns of those who are the heads of households, possibly supporting a family, and the overwhelming majority of workers earning the minimum wage; young people and those seeking a first job are addressed. The President's proposed training wage of $3.35 per hour, along with a reasonable raise in the minimum wage to $4.25 hourly, as is already in place in my home State of California, addresses the realities of the current situation and comes much closer to the goal of providing fair pay for working people. It also recognizes that the economy is creating new jobs at a stunning pace and this must not be halted. Therefore, I urge my colleagues to support the minority substitute.

Mr. NEAL of Massachusetts. Mr. Chairman, I urge this House to adopt the increase in the minimum wage as provided for in the Murphy substitute to H.R. 2.

The minimum wage should be a living wage. Sadly, it is not. With no increases since 1981, we have seen the value of the minimum wage erode to the point where a working man or woman supporting a family on a minimum wage job is earning an income substantially below the poverty level. That is hardly an incentive for people to leave the welfare rolls and take those kinds of entry level jobs that might eventually lead to a career, but which only provide a minimum wage starting salary. I can think of few Federal programs that do not try to protect their beneficiaries from the effects of inflation, or at least attempt to mitigate those effects. The minimum wage is a glaring exception, and it is an exception in which neither Congress nor the American people should take pride.

We have heard all manner of dire predictions about the enormous job loss that will result if the minimum wage is increased. These same arguments have been made whenever we have tried to raise the minimum wage, and they have proven to have been wrong. Rather than debate the discredited arguments of the past, we should try to confront the reality of the present: 70 percent of the minimum wage workers living in poverty are the sole support for their families. As a matter of economic justice, we must address that deplorable situation. Let us return the concept of fairness to the Fair Labor Standards Act by voting to restore some of the purchasing power of the minimum wage. H.R. 2 is a step toward promoting self-sufficiency for millions of American workers and their families. The enactment of this legislation is clearly in their

best interests, but in a larger sense it is the best interest of our society as well.

Mr. TOWNS. Mr. Chairman, I am pleased to be able to lend my support to the committee's initiative to raise the standards of living for American workers who earn at or near the minimum wage of $3.35 per hour.

We are speaking of honest men and women who are struggling to support their families on less than $7,000 a year. In fact, a full-time minimum wage worker's salary is actually 29 percent below the poverty line for a three-person family. How many of us could make ends meet on such meager earnings? For minority Americans, an increase in the minimum wage is vital to the economic well-being of our communities. Over the last 10 years, the earning power of young black women has decreased by 20 percent and dropped by 50 percent for young black men. This economic crisis has substantially increased poverty among young families and their children, according to a report from the Children's Defense Fund.

I know that there are those who claim thousands of jobs will be lost if wages are increased; they also claim that teenagers will not be hired unless there's a training wage provision in this bill. Yet, previous increases in the minimum wage have not thrown people out of work. For example, in 1978, employment amongst teenagers actually increased by 382,000 jobs.

I believe that there is nothing more important to maintaining one's dignity than the ability to hold down a job that will support you and your family. At the moment, many Americans simply do not have that option. Not because they are unwilling to work but because of our refusal to increase the minimum wage. I hope that we will pass the committee bill today as a sign of our commitment and faith in the American worker's right to gainful employment.

Mr. FAUNTROY. Mr. Chairman, it is with enthusiasm that I rise as a cosponsor in support of H.R. 2, the Fair Labor Standards Amendments of 1989. The minimum wage received by the most underpaid in our labor force has not risen since January 1981. During this period the prices for the goods and services these citizens must purchase have risen by almost 40 percent. As has been pointed out by the leadership of our Committee on Education and Labor, the present $3.35 per hour minimum wage purchases only $2.46 worth of goods and services.

By this modest increase in the minimum wage to a more just, fair, and equitable rate we will, at least, be partially restoring the purchasing power of hard-working, low-income citizens. By addressing this question of economic justice, we will also be helping to stimulate our economy, increasing the ability of many of our workers to buy the goods and services produced in our Nation. Additionally, the increase in the minimum wage will increase the incentive to work for millions of persons who are at or below the poverty level.

Mr. Chairman, I have heard all the flawed arguments that this modest increase in the minimum wage will reduce our ability to compete in the world economy and lead to the loss of jobs. The reality is that we have only two choices with reference to our ability to be productive and competitive in the international economy. One choice is to allow our labor force to be increasingly exploited to enable our Nation to compete in the world economy, increasing the economic and social division in this country. The better choice by far is to invest in our labor force through education and training programs and by paying salaries which allow all of our workers to have a decent standard of living. H.R. 2 is a measure that is economically and morally in concert with the view that we must invest in our labor force and maintain standards of economic justice in our society.

Mr. Chairman, we can pay either at the front door with decent wages for our workforce, or we can pay at the back door with increased dependency, social services, and the social disorganization and unrest caused by polarization between the "haves" and the "have-nots."

I urge my colleagues to vote for H.R. 2, the Fair Labor Standards Amendments of 1989.

Mr. PAYNE of New Jersey. Mr. Chairman, I stand here today to express my support for H.R. 2, the Fair Labor Standards Amendments of 1989, not simply as a member of the Committee on Education and Labor who is concerned about the future direction of public policy, but—more importantly—as a citizen who is deeply concerned about economic equity.

One may ask, what does he mean by equity? Well, I believe that if we establish parity, that is balancing wages and prices, at least at the minimum wage level, we may be able to help workers receive what F.D.R. described as "a fair day's pay for a fair day's work." As you may know, not since the 1977 amendments were enacted, which capped the minimum wage to $3.35 per hour in 1981, has the minimum wage been increased to a level that properly reflects the current economic indicators. Therefore, as a result of neglecting to index this wage, prices have increased by 39 percent, while the value of that wage has eroded to a mere $2.64. Today, minimum wage represents only 35 percent of the average hourly wage, as opposed to the 50 percent it represented after past adjustments. For a family of three, that amount places them 29 percent below the poverty line. A minimum wage worker in 1989 must work almost an hour to be able to buy a carton of milk to feed his children, and almost 3 weeks in order to pay rent at current market prices. It is precisely for those reasons that I support this bill. I believe that H.R. 2 is a good bill, and, I believe further that the folks in actual need will find it a welcome relief.

In its present form, H.R. 2 provides for an increase of $1.30 over the next 3 years in increments of 50, 40, 40 cents, respectively. Unfortunately, in real terms, $4.65 per hour would still be approximately 59 cents below its projected value in 1992 and only 41.1 percent of the average hourly wage. However, H.R. 2 would attempt to address that by establishing a Minimum Wage Review Board. This Board would be required to monitor current economic data and submit an annual report to Congress with recommendations for future inflation adjustments. With these recommendations, Congress would be armed with objective economic data to ensure bipartisan support for future minimum wage increases. Also, I believe this legislation to be economically sound and business sensitive. By increasing the small business exemption to $500,000 and tip credits to 50 percent, H.R. 2 would actually affect only 5 percent of all American businesses. In fact, the bill even extends its protection to minimum wage workers in the American territories. Therefore, after close analysis, I believe that H.R. 2 is poignant in its breadth and diversity and Congress should act on its passage now. Further delays on the issue would be a mistake.

In the past, the Reagan administration contended that they understood the concerns of the common man. They believed that an increase in the minimum wage was not necessarily an answer to the working poor's problem, because the benefits of an increase would be outweighed by the devastating unemployment that would have resulted. There has never been any proof to substantiate that. But this line of thought, without any action, amply illustrates the previous administration's tendency to avoid substantive dialog regarding the working poor.

Today the Bush administration also believes that increasing the minimum wage will seriously endanger the economy. The President, however, locked in by his promise of kindness and gentleness, has conceded that some increase may be necessary. He has proposed an increase of 90 cents to a level of $4.25 per hour by 1992. I simply do not believe this increase would be enough. According to recent economic projections, $4.25 per hour in 1992 would be worth less than $3.60, which would be only 39 percent of the average hourly wage. To a family of three that amount would still put them more than 20 percent below the line of poverty. In addition, Mr. Bush's proposal includes an employee training period, which he believes would reduce the number of unskilled workers in the work force. This training period would last for 6 months while the employee being trained would receive some smaller percentage of the current minimum wage. However, he did not include any enforcement provisions. This could lead to unneeded exploitation by the businesses with significant market shares; such as firing a person before the end of the training period in order to avoid paying for the increase in salary. But the most serious economic consequences, he contends, would be in unemployment. The impact of this shock would be shouldered by as many as 650,000 workers, many of them teenagers. I seriously question those figures. Several independent studies, using the Department of Labor's most recent projections, have found that if 10 percent of the minimum wage work force were given an increase, only an approximate 0.01 percent of the current work force would face disemployment. Although they admit that many of those workers may be teens, they believe that most of those workers are also members of mid and upper income families. And, they argue further, most of the more needy workers, who just happened to be single mothers, were actually retained by businesses. But more importantly, they insist after every other increase, except in 1974, the economy has actually strengthened. In fact, in my district, I found this historical trend to be accurate. Therefore,

I do not find the administration's proposal compelling, and I would be remiss if I did not support H.R. 2.

Mr. Chairman, it has been 8 years since the minimum wage was increased to a level that is fair and equitable. In 1989, a full-time minimum wage worker will only earn $6,700, which less than $1,158 it would take to support one adult and one child at the current poverty level. I do not believe this is a proper way for anyone to live. So, I must therefore reiterate that it is imperative for Congress to address this issue now. And I would strongly impress upon each and every one of my colleagues that a vote in the affirmative for H.R. 2, would actually be a vote of support for the average American minimum wage worker. Because by establishing economic parity—that is balancing of wages and prices—we would be assured those workers received a fair day's pay for a fair day's work. We would be assured that the working poor had a chance to break those ties that bind. And the people would be assured that Congress is actually on their side.

Mr. EDWARDS of California. Mr. Chairman, I rise today in strong support of H.R. 2, the fair labor standards amendments.

Our country has ignored the basic needs of unskilled workers since 1981, when the minimum wage was last raised to the current level of $3.35 per hour. Since then, the purchasing power has been reduced to its lowest level since 1955. In voting for H.R. 2, we can correct this inequity by raising the minimum wage to $4.65 over a 3-year period.

This would be welcome relief to the current minimum wage earners whose annual income puts them well below the poverty line for a family of three. The current minimum wage is an insult to those individuals who cannot support themselves and their families despite going to work everyday. Congress' inaction on this issue over the past 9 years has also resulted in the embarrassing fact that welfare benefits in many States now come close to matching the minimum wage, thus removing the incentive to work.

By passing H.R. 2, the House would be sending the message that there is dignity in all forms of work, and every worker is entitled to a wage which allows them to meet the basic standard of living. I urge my colleagues to join me in sending that message.

Mr. FAZIO. Mr. Chairman, as a cosponsor of H.R. 2, the Fair Labor Standards Amendments of 1989, I strongly support this bill which will bring economic equity to low-wage workers.

The 1938 Fair Labor Standards Act established the minimum wage as a commitment to the American belief that hard work deserves adequate compensation. It was intended to ensure that every worker would be paid enough to achieve a decent standard of living.

Unfortunately, we have failed to live up to that commitment. The last time Congress approved an increase in the minimum wage was in 1977 with the final step increase going into effect in 1981. Today the minimum wage remains at the 1981 level of $3.35 per hour. Yet since that time, the purchasing power of the minimum wage has decreased by more than 30 percent. In 1981 dollars, its purchasing power is worth only $2.46. Had it kept pace with inflation, the minimum wage would now stand at $4.57 per hour.

Further, during the 1960's and 1970's, a person who worked full time at a minimum wage job could earn slightly more than the amount required to keep a family of three out of poverty. Today, however, the same worker makes only $6,968 per year which is significantly below the 1988 poverty line of $10,060 per year for a family of three.

While all low-wage workers are affected, I am especially alarmed at the impact that the low-minimum wage has on women and families headed by women. While women comprise 45 percent of the work force, they comprise more than 65 percent of those earning the minimum wage. Women also are the sole supports of over 10 million families—an 80-percent increase since 1970.

As a matter of economic justice, it is time that we raise the minimum wage. Our approval of H.R. 2 will send a strong signal that we value these workers and their role in American society. I urge my colleagues to support H.R. 2.

Mr. RAHALL. Mr. Chairman, today I rise in full, strong support for H.R. 2, the Fair Labor Standards Act Amendments of 1989. Simply stated this legislation is long overdue. We in this country agreed decades ago that the American worker deserved and needed protection against unfairly low wages; we made a moral commitment to our workers that even those holding the most menial of jobs were entitled to a wage on which they could exist with some semblance of dignity. I do not believe that we should renege on this commitment to America's workers. And frankly, I fail to comprehend the adamant opposition facing this bill in this day and age, as politician after politician rushes to join and champion the cause of a "kinder, gentler nation." Surely that means we have recognized that many in this country have not shared in the prosperity of the past few years, that many of our fellow citizens have been left far behind to struggle alone against the strong, relentless forces of poverty. Is it too much for us here today to live up to the commitment made by our predecessors in this great Congress? Is not the passage of this legislation a concrete example of an action that would have far-reaching effects in the fight for a better future for all American citizens? My colleagues, we have here an opportunity to meet this challenge head on and to prove our personal commitment to the noble goal of establishing a society that is in fact truly more kind and gentle to all its members.

One only has to look at the facts to recognize the need for an increase in the current minimum wage level. Today's level is the same that it was in 1981, $3.35 an hour. Over the past 8 years, the purchasing power of the minimum wage has decreased by more than 30 percent—had the wage kept pace with inflation during that time, it would now stand at about $4.57 an hour. An even more telling statistic is the fact that during the 1960's and 1970's, a person who worked full time at a minimum wage job could earn slightly more than the amount required to keep a family of three out of poverty. Today, however, the earnings of that same person are 29 percent below the poverty line for a three-person family. Unfortunately, after all the negotiation and compromise over the wage rate increase, not even the committee-reported bill would bring these earnings up to the poverty line.

During my years here in the House of Representatives, I have become a political realist. And although I strongly support the committee-passed version of H.R. 2 as the least that we can do for our minimum-wage earners, I recognize the fact that the Murphy compromise on the training wage is necessary if we want to get an increase in the minimum wage enacted into law under the current administration. Certainly this proposal is far superior to that of the administration, which I believe could easily be abused by unscrupulous employers. The Murphy proposal calls for a true training wage, available to only those who have no previous work experience. Additionally, the substitute limits the duration of any training wage to 2 months as opposed to the administration's proposed 6-month revolving-door training wage.

While I am far from completely satisfied with our options here today, I do believe that they would greatly improve the lot of those earning the minimum wage. In closing, I urge my colleagues to consider the issue of raising the minimum wage in a rational, but compassionate manner. Surely the ability to take a stand for a better tomorrow for America's workers by approving a modest increase in this country's minimum wage is not beyond us.

Mr. RANGEL. Mr. Chairman, it has been 12 years since the Congress raised the minimum wage. It has been 8 years since the minimum wage was increased to $3.35 as a result of this legislation that required a three-step increase. Since that time inflation has eroded the last increase by nearly 30 percent. Inflation has reduced the purchasing power of working families for goods and services in today's marketplace. The current wage of $3.35 only buys $2.56 worth of goods and services.

Opponents of the increase in the minimum wage have raised all sorts of hair-brain arguments that just do not hold up under close scrutiny. They talk about diminished employment opportunities, especially for young, economically disadvantaged, and black youths in particular. They also maintain that wage increases lead to higher inflation, larger Federal deficits, and would hurt those who the law was designed to help. These are historical fantasies spread by traditional minimum-wage opponents every time an adjustment is proposed.

Increase in the minimum wage is endorsed by five former Secretaries of Labor—both Republican and Democratic. A recent Gallup Poll shows that the American public overwhelmingly endorsed raising the minimum wage by a margin of 76 to 20 percent. In every instance—by sex, by race, by age, by education, and by region—persons polled favored raising the minimum wage.

In 1988, some 5.4 million workers labored at jobs that paid no more then the minimum wage of $3.35 an hour; another 10 million earned between $3.35 and $4.49 per hour. Many of these workers still remained in poverty. One of the most compelling reasons to enact a higher minimum wage is to make it

truly a living wage. A worker who puts in 40 hours a week for 52 weeks earns only $4,696 which is significantly below the 1988 poverty level of $10,060 for a family of three. Today's minimum wage does not protect workers from poverty or enable them to raise themselves out of poverty.

However, increasing the wage will increase the incentive to work for millions of persons at or below the poverty level. Currently, work-related costs for accepting minimum-wage employment outweigh the earnings a person could receive from such a job. Transportation, day, care, and taxes can consume a high percentage of the income of the minimum-wage earner. Today in many States a person receiving welfare has as much or even a little more income than a minimum-wage earner, even though the value of welfare benefits has also declined in recent years. Many minimum-wage earners legitimately receive assistance because the current $3.35 per hour is not enough to keep a family of three out of poverty.

H.R. 2 will bring the minimum wage to approximately 42 percent of the average wage, a substantial increase but still short of the historic goal of 50 percent. The modest $1.30 increase over 3 years mandated by this legislation will raise the minimum wage 39 percent, significantly restoring the purchasing power. The phased implementation of increases of 50, 40, and 40 cents over 3 years is designed to make up carefully much of the economic loss of the suffered over the past 8 years. It is long past time for us to insure that the reward for a job well done is fair wages. Let us help the American dream become a reality and not a continuing nightmare.

Mr. WAXMAN. Mr. Chairman, I was unable to participate in the debate on H.R. 2, the Fair Labor Standards Act Amendments of 1989. However, I wanted to make clear for the record my support for this legislation, and my understanding of its implications for nursing home reimbursement under the Medicaid Program.

Medicaid is the Federal-State entitlement program that buys basic health care services for certain categories of poor people, including the low-income elderly. About 30 percent of all Medicaid spending goes toward the purchase of nursing home services. Nursing homes, in turn, employ large numbers of minimum-wage workers; most of these are nurse aides, who provide the bulk of the hands-on care to nursing home residents. H.R. 2 will increase the salaries of these workers.

Current Medicaid law requires that the rates which States pay to nursing homes for services to Medicaid-eligible residents be "reasonable and adequate to meet the costs which must be incurred by efficiently and economically operated facilities in order to provide care and services in conformity with applicable State and Federal laws, regulations, and quality and safety standards."

Clearly, the Fair Labor Standards Act is an "applicable * * * Federal law," and the wages of nursing home workers are costs "which must be incurred by efficiently and economically operated facilities in order to provide care and services." As chairman of the Subcommittee on Health and the Environment, with legislative and oversight jurisdiction over the Medicaid Program, I want to affirm the obvious: current Medicaid law requires States to adjust their nursing home reimbursement rates to accommodate the increased costs that nursing homes incur in complying with the increase in the minimum wage. Of course, the Federal Government, through Medicaid matching payments, will participate in payments for these increased costs.

Mr. CONYERS. Mr. Chairman, I rise in strong support of H.R. 2, the Fair Labor Standards Amendments Act.

There is saying that "justice delayed is justice denied." How true this is. It has been 8 long years since the last increase in the minimum wage was put into effect. Since that time the cost of living has risen more than 30 percent. As a consequence, in today's dollars, the current minimum wage is worth only $2.56. The lowest level relative to other wages in the private economy since 1949.

The case for increasing the minimum wage is urgent and compelling. Opponents of this legislation would have us believe that the minimum wage should not be raised because most people who earn it are teenagers. However, the facts are that only about one-fourth of minimum wage workers are teenagers. Two-thirds of them are women, nearly 7 million are full-time workers and nearly 4 million are heads of households.

Plant layoffs and closing have driven millions of Americans throughout this country into low-paying service jobs. The depressed minimum wage drags down the income of these workers and their families, as well as the wages of all other workers.

Increasing the minimum wage to a liveable wage is one of the most important legislative issues facing this country. The fundamental premise of raising the minimum wage is that it should be a living wage. No one who works for a living should be condemned to a live in poverty.

Today, over 6.5 million workers earn the minimum wage or less. Another 5 million workers, whose wages move in step with the minimum wage earn no more than $0.50 above the minimum wage rates. This means that about 11.5 million workers or 10.5 percent of the labor force.

A decent minimum wage would go a long way in helping the 7 million full-time minimum wage workers, including the more than 2 million families in poverty families to climb out of poverty.

Mr. Chairman, minimum wage workers represents a broad spectrum of American society and include many Americans who are supporting families and trying to achieve economic self-sufficiency. Adults account for 70 percent of the 6.5 million minimum wage workers with heads of households or married women who work out of economic necessity accounting for over 45 percent of the minimum wage workers. One in four minimum wage workers lives in poverty compared to just 8 percent of all workers.

More importantly, simple justice and equity require us to raise the minimum wage to fair level. H.R. 2 is a carefully drafted bill, guided by the principles of fairness, simply justice, and equity. Today, let us begin to raise millions of Americans out of poverty into economic opportunity and dignity. Basic human rights and economic survival are at stake. Economic justice must no longer be delayed or denied.

Mr. GOODLING. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, we have had a good debate, and as indicated in the beginning, a very important debate. We have been told by the majority that we have used the same arguments again and again against the minimum wage increase.

We are not arguing against a minimum wage increase. Our concern is the size of the increase and what effect that may have on our economy and on employment.

During the last 7 years it has been the only time in the history of this country that youth employment has increased, and I think that is very significant.

Let me say about old arguments, what we have heard are old arguments as to how we get people out of poverty, how we raise them above poverty. If they are old arguments in relation to unemployment, certainly the arguments on the other side dealing with how we get people above poverty are old, and they are not only old, but as a matter of fact they have never worked. So it seems to me the time has come for a change, and we offer that change, and will offer that change when I offer our substitute tomorrow.

Mr. Chairman, I yield back the balance of my time.

Mr. MURPHY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I thank the gentleman from Pennsylvania [Mr. GOODLING] for all of his efforts and his diligence, and thank his staff for the cooperation that they have offered during the past 2 years in attempting to frame this legislation.

But in closing, Mr. Chairman, I would like to say the tenor of the argument somewhat bewilders me. We are asking for a $1.20 minimum wage hourly increase over an 11-year span from 1981 to 1992.

The gentleman from Pennsylvania [Mr. GOODLING], the minority, are asking for a 90-cent increase over that span of time. We are asking for 11-cents-per-year hourly increase; he is asking for an 8-cent-per-year hourly increase, an insignificant amount.

But what puzzles me is the arguments they have used for these past 2 hours. Their argument is if it is not so high an increase we will be able to employ more of these poor people who need to be employed. Their argument leaves us with but one conclusion, that if we pay these poor people nothing, they will all be employed as, of course, they were in feudal and plantation days, but that is not what America is all about.

America is about, as President Roosevelt said, pay a man a fair day's wage for a fair day's work.

The CHAIRMAN. All time has expired.

Mr. MURPHY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

□ 1920

Accordingly the Committee rose; and the Speaker pro tempore (Mr. HATCHER) having assumed the chair, Mr. MOAKLEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2) to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate, and for other purposes, had come to no resolution thereon.

## INTRODUCTION OF A HOUSE RESOLUTION TO ESTABLISH A SELECT COMMITTEE ON HOUSING AND TAX POLICY

(Mr. WYLIE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WYLIE. Mr. Speaker, today I am introducing legislation on a bipartisan basis along with several of my Banking Committee colleagues designed to establish better lines of communication and coordination with our Ways and Means Committee colleagues as we approach housing and economic opportunity legislative issues of mutual concern during the 101st Congress.

My resolution is quite straightforward in that it proposes the establishment of a Select Committee on Housing and Tax Policy. I view this select committee as a mechanism to foster an appreciation of the effect of tax law changes on the efficiency of housing programs, economic opportunities, and other Banking Committee matters that are crucial in the design of legislation to be considered by both the Banking and Ways and Means Committees.

Mr. Speaker, it is important at the outset to clarify that my intent in introducing this legislation is not to create a new bureaucracy in the House with a new staff and a new line item in our committee funding resolutions. On the contrary, Mr. Speaker, in drafting this resolution, I took great pain in making sure that there would be little or no additional cost. The resolution expressly states that staff support would be comprised of existing staff from the parent committees. This point is crucial in achieving the goal of fostering better lines of communication and coordination between the Banking and Ways and Means Committees, whose jurisdictions influence the structure and operation of just about every part of the American housing market. My proposal safeguards the important and necessary principles of checks and balances and assures staff accountability and restraint. My intent is for this select committee to establish bridges to facilitate solving several currently pressing and interrelated problems.

The Select Committee on Housing and Tax Policy would be advisory in nature and as such would have no legislative responsibility, other than making legislative recommendations to their respective parent committees.

Mr. Speaker, the Banking Committee under the leadership of our distinguished Chairman GONZALEZ, has much expertise in housing and community development matters. The Ways and Means Committee under the leadership of Chairman ROSTENKOWSKI has significant expertise on tax matters. Both of these outstanding leaders will add much valuable input to the process. I along with many of my colleagues believe a coordinated approach is required to address several policy issues, including the decline in homeownership rates, the potential conversion to other uses of hundreds of thousands of dwelling units now occupied by low- and moderate-income persons, the sharp decline in the production of privately owned multifamily rental housing and the deterioration of inner-city neighborhoods and the need to combine our resources to end the shame of homelessness.

I urge my colleagues' support of establishing a mechanism to foster mutual understanding by members of the Banking and Ways and Means Committees as we confront difficult issues that are important to both committees. This resolution has the endorsement of the National Association of Homebuilders and the Mortgage Bankers Association.

Mr. Speaker, I include a section-by-section summary of my legislative proposal as well as a short background paper on the need for coordination of housing and tax policy.

SECTION-BY-SECTION SUMMARY—H. RES. 113, TO ESTABLISH THE SELECT COMMITTEE ON HOUSING AND TAX POLICY

An appreciation of the effect of tax law changes on the efficiency of housing programs, economic opportunity initiatives and other Banking Committee matters is crucial in the design of much of the legislation considered by both Banking and Ways and Means Committees. The purpose of this resolution is to establish a Select Committee on Housing and Tax Policy. The principal sections and provisions are as follows:

(a) Establishment.—Section 1 would establish a House Select Committee on Housing and Tax Policy.

(b) Functions.—Section 2 would require the Select Committee to conduct continuing studies to determine the most efficient combination of tax provisions, direct assistance, and regulation with respect to—

(1) assisting first-time homebuyers;

(2) ensuring an adequate supply of affordable rental housing;

(3) making housing more affordable for low and moderate income persons;

(4) preserving units for low and moderate income persons;

(5) reversing the economic and physical decline in inner-city neighborhoods; and

(6) any other matter jointly referred by the chairpersons of the Committees on Banking, Finance and Urban Affairs and Ways and Means.

(c) Appointment and Membership.—Sections 3(a)(1) and (2) would provide that the Select Committee be composed of 26 Members of the House appointed by the Speaker in consultation with the Minority Leader. The appointees would be chosen primarily from among the members of the Committees on Banking, Finance and Urban Affairs and Ways and Means.

(d) Chairperson.—Section 3(b) would require the Speaker to appoint one of the Select Committee members as chairperson, who would serve for the Congress during which the appointment is made.

(e) Vacancies.—Section 3(b) would provide for filling any vacancy in the Select Committee in the same manner as the original appointment was made.

(f) Authority.—Section 4(a) would authorize the Select Committee to hold such hearings as it considers necessary.

(g) Procedures.—Section 4(b) would apply clauses 1, 2, and 3 of the House rules, except the provisions of clause 2(m) relating to subpoena power, to the Select Committee.

(h) Staff.—Section 5(b)(1) would authorize the Select Committee to request and utilize, on a nonreimbursable basis, the staffs of the Committees on Banking, Finance and Urban Affairs and Ways and Means.

(i) Section 5(b)(2) would authorize the Select Committee to request the head of any Federal agency to detail personnel, on a nonreimbursable basis, to the Select Committee.

(j) Reports.—Section 6(a) would require the Select Committee to submit to the House reports setting forth its findings and recommendations as a result of its studies. Section 6(c) would require referral of those reports to the committee or committees with jurisdiction over the subject matter of the reports.

A NEED FOR COORDINATION OF TAX AND HOUSING POLICY

ISSUE

The Internal Revenue Code, under the jurisdiction of the Ways and Means Committee, and numerous programs under the jurisdiction of the Banking Committee, influence the structure and operation of just about every part of the American housing market and involve federal expenditures approaching $100 billion a year.

These two committees must understand each other and coordinate better if federal policies are to be efficient and carry as inexpensive a price tag as possible.

A good way to foster mutual understanding by members of both Committees is to have them share membership on a select committee that will spend all its time looking at issues that are important to both Committees.

BACKGROUND

Homeownership rates have been declining in the United States since 1980. The proportion of households living in their own homes rose from 40 percent in the 1940

census, to 65.6 percent by 1980. Subsequently, however the rate has slipped to 63.7 percent in the first half of 1988. The most drastic decline in homeownership has taken place among young and first time homebuyers age 25 to 34 years. This rate fell from 52.3 percent in 1980 to only 45.1 percent in 1987. The potential impact on jobs and the economy of this decline in homeownership is a serious concern for Federal policy makers.

Affordability to meet down payments and monthly mortgage costs have been identified as the major obstacles. The coordination of both tax and housing policies at the Federal level is essential for the creation of saving incentives necessary to reverse this dangerous trend and to restore homeownership opportunities.

Another current problem of significance is the threatened loss of hundreds of thousands of assisted units for low and moderate income families because of mortgage prepayments or the expiration of subsidy contracts. A variety of financial incentives were enacted last year and additional ones are being considered to encourage private owners of assisted housing to preserve such housing. In addition, several tax incentives have been proposed to accomplish the same objective. An approach to the low-income housing preservation problem that can be coherent and cost effective is a combined package of tax and direct incentives. Development of an effective package requires close coordination between the makers of tax and housing policy.

DISCUSSION

An appreciation of the effect of tax law changes on the efficiency of housing programs, financial institution supervision and other Banking Committee matters is crucial in the design of much of the legislation considered by both committees. When the Ways and Means Committee considers broadening or narrowing tax incentives involving real estate or financial institutions it should have a well-informed sense of how these parts of the private market function in order to determine whether incentives are too generous, are misdirected or counterproductive, or are just insufficient to achieve the desired objectives.

One example of an issue the Select Committee could consider is whether incentives should be provided for the production and preservation of multifamily rental housing, how much incentive, how much through the tax code and how much through direct assistance, under what terms and conditions, and for what class of beneficiaries. Another example is for the Select Committee to look at options that address the first-time homebuyer affordability problem by developing proposals which assist the financing of downpayments. A joint approach to crosscutting issues such as these should result in more cost effective policies.

The Select Committee on Housing and Tax Policy would be advisory in nature and as such would have no legislative responsibility, other than making legislative recommendations to their respective parent committees. The Select Committee should have about 26 members primarily made up of members from the Banking and Ways and Means Committee, with the Chairman alternating every two years between Banking and Ways and Means. It should be staffed with part time staff support from the parent Committees. Each of the primary committees in consultation with the speaker and the Minority Leader should select the members to serve on the Select Committee.

## GENETICALLY ALTERED ANIMALS: REGULATORY REFORM AND PATENT PROTECTION ISSUES

(Mr. KASTENMEIER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. KASTENMEIER. Mr. Speaker, today, I am pleased to introduce two measures on the cutting edge of an important set of biotechnology issues. The first bill, the Transgenic Animal Patent Reform Act, addresses the difficult legal and policy issues that arise from the decision of the Patent and Trademark Office to grant patents to genetically altered animals. The second bill, the Transgenic Animal Regulatory Reform Act, creates a new regulatory regime for the Federal Government to review work done with transgenic animals.

The bills I am introducing today have their roots in measures I sponsored last Congress, H.R. 4970 and H.R. 4971, respectively. The patent bill was the product of extensive hearings conducted in my subcommittee on the subject of patenting life.[1] The Committee on the Judiciary approved that bill in August, 1988[2] and the full House passed the measure on September 13, 1988.[3] Unfortunately the Senate never took up that measure. It is my hope that given the extensive work done on this issue by the House that the Senate will turn to this issue early this Congress.

The patent bill I am introducing today serves four basic purposes. First, it recognizes that the Patent Office has determined that genetically altered animals are patentable subject matter.[4] Second, the bill clarifies that human beings are not patentable subject matter. Third, the bill authorizes the Commissioner of the Patent and Trademark Office to issue any regulations necessary to regulate the deposit of biological materials. Finally, and most importantly, the bill addresses the thorny question of the scope of a patent on patented transgenic farm animals.

Because a patented life form such as a genetically altered animal, poses unique legal questions about the scope of patent protection, it is essential that a fair, workable and balanced statute be developed to avoid making ordinary, routine noncompetitive reproduction of a patented animal an act of patent infringement. The bill I am introducing today seeks to fairly address the conflicting interests of patent owners and users.

I know from our hearings last Congress that differences remain between farm organizations about the appropriate scope of an animal patent. Similarly, there are significant differences of opinion between the agriculture community and the biotechnology industry about this question. I sincerely hope that resolution of this issue is in everyone's best interest.[5] If the beneficiaries of the Patent Office decision to permit patents to issue in this area fail to negotiate in good faith to fashion an appropriate bill, they will face renewed calls for a moratorium on patents in this area.

The second bill I am introducing today develops a regulatory approach for the treatment of transgenic animals. As a result of the hearings we conducted on transgenic animals, I became convinced that there was a need for legislation in this area. Set forth below is a copy of remarks I delivered to the Science and Technology Committee last year concerning this bill:

STATEMENT OF HON. ROBERT W. KASTENMEIER ON H.R. 4971, TRANSGENIC ANIMAL REGULATORY REFORM ACT

Mr. Chairman, thank you for the opportunity to participate in your hearings on biotechnology. I have long been a strong supporter of this technology and the industry it has spawned. As Chairman of the Congressional Committee with the responsibility for intellectual property protection, in recent years I have succeeded in authoring amendments to protect the unique work product of this new science through enhanced intellectual property protection. Most recently we have passed legislation to enhance process patent protection.

The bills before you today represent an important next step along the road of furthering government-industry cooperation designed to further the public benefits of biotechnology.

The bill pending before your Committee that is of greatest personal interest is H.R. 4971, the Transgenic Animal Regulatory Reform Act of 1988. This bill is the product of a series of hearings conducted by my Subcommittee over the past year. It is also influenced by the debate over the propriety of patenting animals.

As many of you may know, since April of 1987 it has been possible to patent a genetically altered animal. In fact one such patent was granted to Harvard for a mouse to be used for medical research on breast cancer in April of 1988. This legal development generated a tremendous controversy. Some religious leaders claimed that patenting animals was immoral. Farmers expressed concerns about the potential for concentration of economic power in the hands of certain patent holders. Finally, some environmentalists expressed concerns about the potential havoc of unfettered releasing genetically altered animals into the environment.

Opposition to patenting animals produced support for a moratorium on patenting animals. This proposal is embodied in H.R. 3119, by Mr. Rose. More recently, I offered an alternative to that measure, H.R. 4970, that has the net effect of approving of the existing state of affairs, but to create two exceptions to patent liability—for researchers and farmers. My Subcommittee is scheduled to mark-up these two bills on July 13, 1988.

One of the concerns about transgenic animals that emerged during the four days of

Footnotes at end of article.

hearings we held on this issue was the adequacy of the existing regulatory framework for biotechnology. Some environmental groups claimed that the existing structure was too informal, and without sufficient environmental safeguards. Industry representatives asserted that the existing regulatory framework was more than sufficient. Several legal experts also claimed that the regulatory framework—albeit complex—was workable. Without attempting to resolve the merits of that dispute—about which this Subcommittee has already heard testimony and recently received an important OTA study—there are three regulatory issues that I believe merit attention.

First, the Congress should create the Biotechnology Science Coordinating Committee in a statutory format. In my opinion the linchpin to the current loose regulatory "confederation" between the various agencies is the BSCC. It would be a mistake to permit the Executive branch to disband the BSCC without Congressional approval.

Second, it is important to recognize the nature of the work being done on transgenic animals including that by the Federal government. The National Institute of Health is already spending well in excess of $16 million on developing transgenic animal research, primarily aimed at biomedical research. This type of research is already well regulated by the existing NIH guidelines.

In addition, the United States Department of Agriculture is devoting substantial resources to developing transgenic farm animals. Unfortunately, I have less confidence in their ability to regulate this work or similar work undertaken by private parties without USDA funds.

As a result of the work on transgenic animals for agricultural purposes scientists hope to produce more efficient meat and dairy production, disease resistant animals and leaner food products. As a Member who knows first hand the existing oversupply of many agricultural products, I am concerned about the speed with which introduction of this new technology will occur within the agricultural community. As a result of this concern I have proposed in H.R. 4971, a system of regulation of transgenic farm animals within the Department of Agriculture.

The permit system encompassed in this bill is modeled after a more comprehensive effort offered last Congress by our former colleague Don Fuqua. I expect that initially the USDA will be required to issue permits for all classes of experiments in this area of research regardless of the source of the funds. Once an experiment has succeeded, further USDA approval would be required to permit expanded experimentation or, subsequently, full scale commercialization. The criteria to be applied by the USDA would be a requirement that the researcher prove that the work does not pose an unwarranted risk to human health, welfare or the environment. Also, because I expect that the learning curve will become more advanced, the USDA is given statutory authority to waive the permit requirement for classes of experiments that are presumptively safe.

The bill also creates an Advisory Committee on transgenic animals within the Agriculture Department. I would expect this Advisory Committee will include farmers, consumers, scientists and other knowledgeable and affected parties.

The third important feature of the bill is the grant of authority to the Environmental Protection Agency to regulate the release of genetically altered animals into the wild. While I recognize that in some instances exotic species pose equal or greater danger than the genetically altered species, it still seemed appropriate to flash an amber light with respect to the release into the wild of genetically altered wildlife. I have serious concerns about the release of genetically altered fish into the aquatic environment. This section of the bill does not spell out the exact nature of the regulatory mechanisms to be used, in order to permit this Committee to make those judgments after the hearing process has run its course.

In sum, I hope that my colleagues will look with favor on the concept contained in this bill. I recognize that as introduced, this bill is not ready for enactment. I have already received a number of valuable suggestions for improving the bill from environmental concerns, agricultural groups and business groups. I hope that as the legislative process continues that you will be able to reach a consensus around the regulatory approach suggested by this bill.

I sincerely hope that my colleagues on the Science, Space, and Technology Committee as well as those on Energy and Commerce and Agriculture see the wisdom of reviewing the existing regulatory framework.

In closing, I must indicate to my colleagues that many of the issues presented in these bills are addressed in a comprehensive OTA report on Patenting Life that was issued earlier today. I urge my colleagues to carefully consider the important issues raised by these bills and the new OTA report.

FOOTNOTES

[1] *Patents and the Constitution; Transgenic Animals Hearings Before the Subcomm. on Courts, Civil Liberties the Administration of Justice of the House Comm. on the Judiciary,* 100th Cong., 1st Sess. (1987).

[2] H. Rep. 100-888.

[3] 134 Cong. Rec. H 7436.

[4] The legality of this decision was recently upheld by a Federal District Court in *Animal Legal Defense Fund* v. *Quigg,* F.2d—(N.D. Calif. Jan. 26, 1989).

[5] It would seem possible to reconcile the conflicts here by reaching an agreement in principal on the points of general agreement. For example, both proprietors and representatives of farmers agree that:

(1) there should be no patent infringement for an act of reproduction of a patented animal for on-farm personal use;

(2) patent infringement should exist against persons who reproduce the germ lines, semens or embryos of a patented animal; and

(3) farmers should not be free to effectively compete with the patent owner by selling significant numbers of off-spring with the patented gene sequence in the commercial market place.

The most difficult issue to resolve has been determining when the activity of the farmer "effectively competes" with the commercialization activities of the patent owner. It may be possible to draft legislation that leaves the details of these determinations to regulations to be issued jointly by the Secretary of Commerce and Agriculture. These "safe-harbour" rules could go a long way towards removing the current uncertainty about what would and would not be an act of patent infringement with respect to a patented transgenic farm animal. This approach would have two advantages. First, Congress could structure the criteria for the development of these guidelines in a manner roughly analogous to the "fair use" criteria used in the copyright law. Second, such a regulatory regime would permit slightly different standards of appropriate conduct to be developed depending on the type of animal involved. One of the difficulties the Committee confronted last Congress in developing rules for an industry (or, more accurately, a set of potential industries) was that what made sense for beef cattle may not have been appropriate for hogs or sheep. By permitting the details of these questions to be developed by regulation Congress could permit greater flexibility and facilitate more rapid changes in rules than if a strict legislative approach were adopted.

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The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. LIPINSKI] is recognized for 5 minutes.

[Mr. LIPINSKI addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

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The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

[Mr. ANNUNZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

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## THE DEPOSIT INSURANCE REFORM AND REGULATORY MODERNIZATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin [Mr. KLECZKA] is recognized for 5 minutes.

Mr. KLECZKA. Mr. Speaker, yesterday I introduced legislation, the Deposit Insurance Reform and Regulatory Modernization Act, which would, over a period of a decade, consolidate our Federal deposit insurance funds and Federal financial regulators.

In a special order yesterday, I described in detail titles I and II of the legislation, titles which would bring about the merger of the deposit insurance funds. Today, I will describe the section of the legislation which would consolidate the five existing Federal regulators into a single agency.

TITLE III

A Congress which considers the sweeping changes in our financial system now under discussion must also be ready to mandate an equally comprehensive overhaul of our creaky Federal financial regulatory system. As the financial marketplace changes, so should the method by which we regulate marketplace participants.

Title III of this legislation would consolidate existing Federal regulators of financial institutions.

This overdue action, a long-sought goal of banking reformers, would enhance the ability of regulators to deal with failed or failing institutions. In addition, it would promote more efficient operation of the Federal financial regulatory apparatus, bring about uniform treatment of similar financial institutions, and increase the accountability of financial regulators to the public and the Congress. Federal financial regulator consolidation would follow the merger of the Federal deposit insurance funds provided for by titles I and II of the Deposit Insurance Reform and Regulatory Modernization Act. Under this bill, consolidation of the regulators into a superagency would occur in 1998.

The current system of Federal financial regulation was perhaps best described by Federal Reserve Board Chairman Arthur Burns in 1974 as "a jurisdictional tangle that boggles

the mind." He accurately observed to the American Bankers Association in that year that the structure of the Federal regulatory apparatus was "the most serious obstacle to improving the regulation and supervision of banking."

In 1975, James L. Pierce, the director of the House Banking Committee's groundbreaking study, "Financial Institutions and the Nation's Economy [FINE]," had a dire warning to the financial institutions subcommittee about what the practical results of the jurisdictional tangle might mean. Speaking about the blurring of lines among banks and other financial institutions, he said:

As these institutions become more like banks, we run the real danger that regulation will become even more diffuse and fragmented. Unless the regulatory agencies are combined, we could have a situation in which institutions that provide roughly the same services are regulated by any one of five federal agencies. This situation would be impossible.

The indistinct lines of 1975 are in many instances nearly blurred to point of nonexistence today. As predicted, the regulatory situation is becoming increasingly impossible.

Consider the increasingly familiar circumstances of a bank merger. Who regulates?

If the surviving bank is a national bank, the Comptroller of the Currency has jurisdiction. If the surviving bank is an insured nonmember of the Federal Reserve System, the FDIC is in charge. If the surviving bank is a State member of the Federal Reserve System, the Federal Reserve has responsibility.

The players in the regulatory game know the rules and take advantage of that knowledge. The public, however, is often the loser as "competition in laxity" develops among regulators who begin to view the financial institutions they regulate as constituents to be served.

If we did not have the current hodge-podge of Federal financial regulation, it is difficult to imagine a Congress of rational men and women devising such a bewildering system. We now have a system, unique within the Federal Government, in which the object of regulation can choose its own regulator. As a 1984 Brookings Institution staff study concluded:

Federal regulation of depository institutions should be consolidated and centralized, and the more so the better.

THE CURRENT SYSTEM

At this point, a brief description of our current regulatory system might be worthwhile.

Banks, thrifts, and credit unions can be chartered at either the Federal or State level, a circumstance which has brought about the term "dual regulation." For certain institutions, this provides a choice among several regulators.

Commercial banks have several options. National banks are chartered by the Comptroller of the Currency and subject to regulation by that office. As a national bank, the institution must be a member of the Federal Reserve System and be subject to regulation by the Board of Governors of Federal Reserve Board. To be a member of the Federal Reserve System, the bank must be insured by the FDIC and, therefore, subject to regulation by that agency.

A State chartered bank has other options. It can decide to be a member of the Federal Reserve System and be regulated by the Federal Reserve Board of Governors. Or it may choose to be regulated by its primary State regulator while enjoying the benefits of Federal deposit insurance. In this instance, the State-chartered, FDIC-insured institution would be subject to FDIC regulation.

Federally chartered thrifts, which include savings banks and savings and loan associations, are chartered and subject to regulation by the Federal Home Loan Bank Board. Federally chartered thrifts must carry FSLIC deposit insurance and be members of the Federal Home Loan Bank System. State chartered thrifts, on the other hand, may be subject to primary regulation only by the State chartering authority but may, if they so decide, become members of the Federal Home Loan Bank System and the FSLIC, at which point they become subject to the regulation by the Federal Home Loan Bank Board and the FSLIC.

Federally chartered credit unions are regulated by the National Credit Union Administration [NCUA] and are required to be insured by the National Credit Union Share Insurance Fund [NCUSIF]. A State chartered credit union which opts for the NCUSIF becomes subject to Federal regulation.

The commercial bank examination process reflects the vagaries of discrete regulation. The Federal Reserve does not generally examine national banks even though it requires them to keep noninterest bearing reserves. The FDIC requires State member banks to pay fees to it even though primary examinations of these banks are the duty of the Federal Reserve.

Writer Curtis Seltzer described how this curious system of regulation can contribute to a major bank disaster. In the September 1983 issue of Washington Monthly, he wrote:

Witness the financial disaster set in motion by Penn Square. The Dallas regional Office of Comptroller (of the Currency) knew that the bank was in trouble, and that it was selling its bad loans to other banks. But the Comptroller never thought of making a few calls to his regulatory cousins to contain the damage. The Federal Reserve, for example, may have warned off banks like Chase Manhattan and Continental Illinois, who were getting knee-deep in Penn Square's bad paper. But the Office of the Comptroller never told about its problems upstream. The Comptroller also neglected to call the Federal Deposit Insurance Corporation, which usually tries to merge a floundering bank with a healthier one to stave off a disaster. No such luck * * *

This ramshackle system of regulation is illprepared to protect the public interest in a financial system poised to enter a 21st century marketplace.

Mr. J.L. Robertson, a former member of Board of Governors of the Federal Reserve System, had some astute observations about the financial regulatory system when he observed:

It is reflexive and not creative. It responds; it does not lead. The true strength of a regulatory system is not the speed with which it responds to financial catastrophes, but the skill and foresight by which it prevents them * * * Our present arrangement is a happenstance and not a system. In origin, function and effect, it is an amalgam of coincidence and inadvertence.

EFFICIENT REGULATION

Congress can modernize financial regulation so that the Federal Government spends less time fielding mop-up crews in financial disasters and acts instead with the skill and foresight envisioned by Mr. Robertson.

A single, well-staffed financial regulatory agency—a superagency—is essential if the Federal Government is to move from a reactive to an active participant in the financial marketplace. If we are to make our banks more efficient and powerful, as some suggest, so should we act to ensure that our regulators are equally efficient and powerful. Powerful financial institutions matched up against haphazard Federal regulation is a formula for failure.

As the FINE study recommended more than a decade ago, this legislation would merge the regulatory and supervisory functions of five agencies—the Comptroller of the Currency, the FDIC, the FHLBB, the Federal Reserve, and the National Credit Union Administration—into one agency. Federal Reserve duties would be limited to its principal mission, the conduct of monetary policy. The FHLBB would continue to administer the system of Federal Home Loan Banks.

A consolidated Federal financial regulator is overdue. With such a structure, the Federal Home Loan Bank Board, for example, would never be asked to act as a client of the savings and loan industry as it attempts to regulate that industry.

For regulators, private interest would be less likely to crowd out public interest in a single agency which regulates diverse types of financial institutions.

A unified regulatory agency would also provide more efficient operations. Legal and research staffs could be reduced, regional office and headquarter staffs consolidated and training systems coordinated. The reporting requirements for commerical banks could be streamlined, which should mean a reduction in costs for administering, processing and publishing such reports. Instead of allocating senior staff time simply to find out what another financial regulatory agency is doing, a consolidated agency could devote resources to more productive regulatory concerns.

A single regulatory agency would enhance bank holding company regulation. The Federal Reserve is now charged with regulating bank holding companies, but often is precluded from directly regulating individual banks within the holding company. This schizophrenic relationship may be worsened if Congress broadens the powers of banks to engage in relatively risky securities activities through the bank holding company structure. If new powers are to be granted, Federal financial regulation of component banks and the holding company itself should be centered in one agency. No longer would a bank-holding company seeking expanded powers face delays as it seeks approval first from the agency supervising the bank subsidiary, then from the Federal Reserve.

PROBLEM INSTITUTIONS

Consolidation of Federal financial regulation will make it easier for the Federal Government to deal with problem institutions early on. While each institution has a primary regulator, a failing commercial bank can, in some instances, draw the attention of the three Federal bank regulators. When three agencies with inevitably differing regulatory goals become involved in a case, the process just as inevitably slows. The 1984 Brookings Institution staff report noted that unnecessary problems arise when two or more agencies share safety and soundness responsibility for a particular institution, with regulatory gaps occurring when one agency asserts control. Such interagency confict can lead to extra costs and delays for both the agencies and financial institutions involved. A unified agency would eliminate the need for time-consuming coordinating activities.

A unified Federal financial regulator would provide a single focal point for public and congressional inquiries in matters of bank regulation and supervision. The alphabet soup of regulatory names roll easily off the tongues of those who know how to use the system but oftentimes perplex the average depositor. A consolidated agency would lessen the confusion for most consumers. As the National Consumers League has testified to the Financial Institutions Subcommittee:

The present complicated regulatory structure is particularly frustrating to consumer groups, lacking in organization, sophistication and financial endowment, who wish to understand or influence some aspect of financial policy * * * The consolidation of the agencies could enable consumer representatives to focus on one regulatory policy on any given issue.

Finally, a consolidated Federal financial regulator would make it easier to ensure uniform treatment of similar financial institutions. Some bankers are less than enthusiastic about the merger idea. There are those, however, who argue that they would be willing to accept a merger of the funds if all financial institutions were regulated uniformly. A chronic complaint is that standards of safety and soundness vary sharply from one agency to another. A consolidated Federal financial regulator would limit laxity encouraged by disparate financial regulators.

Mr. Speaker, I urge support for the Deposit Insurance Reform and Regulatory Modernization Act.

## INTENSIVE HEALTH CARE TO RURAL HOSPITALS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas [Mr. ALEXANDER] is recognized for 5 minutes.

Mr. ALEXANDER. Mr. Speaker, a fundamental concern of senior citizens and families of all ages who live in small communities, towns, and even in midsize cities, is whether or not they will have access to the health care they need.

In response to this and other major health care concerns, I and more than 100 other Members have joined forces in the House Rural Health Care Coalition. Today, the coalition has unveiled its legislative proposals for extensive reform of Federal health programs.

The bills in the package include proposals for higher Medicare payments to small rural hospitals; improvements in emergency medical services in rural areas; reforms in Medicare payments to physicians; incentives for health care professionals to practice in rural areas; and expansion of infant mortality initiatives. These issues are central to the development of a solid health care system.

One of the biggest health concerns of rural America is the rate at which its hospitals are closing.

In the March 18 issue of the Washington Post, a front page article declared that the Nation's rural hospitals are in critical condition. The lower Medicare reimbursements to rural hospitals is just one factor contributing to the diagnosis.

The article cited 206 hospitals closures in rural areas since 1980. Forty-three of those were closed last year. And, a projected 600 others could close by the early 1990's, according to the article.

In the eastern Arkansas district that I represent, two rural hospital closures last August have had a detrimental effect on their communities that cannot be measured. At least 10 others in the State may soon share the same fate, the Arkansas Hospital Association projects.

Members of the coalition are working to change the prognosis of rural health care.

Already, our legislative initiatives have received wide bipartisan support. And, we're optimistic about the chances for a stronger health care system that can thrive in rural America.

Under our comprehensive package, residents of rural areas could continue depending on their local hospitals and health care providers for quality care.

Workers in our rural hospitals could look to a future of higher Medicare payments that are equal to those in urban areas. Our bill to reform Medicare payments to hospitals would eliminate the disparity of lower payments to rural hospitals. We propose the establishment of a single national reimbursement rate for all prospective payments system hospitals by October 1, 1994.

Our proposal would establish interim protection for small rural hospitals until the single national rate is in effect. Further, some of those hospitals would be designated as "critical access facilities." The designation would mean continued protection for vital health care providers after the 3-year interim.

Rural residents would see improved access to emergency medical services under the coalition's proposal.

In Arkansas, which ranks fifth among States with the highest percentages of elderly residents, a sound transportation system and prehospital treatment are critical components of rural health care. The coalition proposes to establish a $45 million block grant program and $10 million in demonstration projects to improve and develop thorough emergency medical plans in these regions.

For rural physicians, the coalition is committed to eliminating the discriminatory geographic wage differential that has meant lower payments and less incentive for them to practice in rural areas.

As an added incentive, physicians, nurses, and other eligible health professionals would benefit from the coalition's bill to restore a tax exemption for interest on education loans if those professionals practice in areas where there are shortages of health manpower.

Another major initiative in the coalition's legislative package is one that addresses infant mortality. As a State, Arkansas' infant mortality rate is slightly lower than the national average. But, in five of the Delta counties that I represent, the infant mortality rate ranges from considerably higher to double that of the national average.

Under our proposal, health professionals and trained volunteers would coordinate in-home medical and nutritional services for at-risk mothers and their infants. And, Medicaid-eligible women would have easier access to vital maternal-child health services.

Mr. Speaker, the coalition has ambitious goals for the 101st Congress I fully support the package and urge my colleagues to do so.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. BILIRAKIS] is recognized for 60 minutes.

[Mr. BILIRAKIS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland [Mr. HOYER] is recognized for 30 minutes.

[Mr. HOYER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. BENTLEY] is recognized for 60 minutes.

[Mrs. BENTLEY addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. GILMAN] is recognized for 60 minutes.

[Mr. GILMAN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana [Mr. BURTON] is recognized for 60 minutes.

[Mr. BURTON of Indiana addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. RITTER] is recognized for 60 minutes.

[Mr. RITTER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to: Mr. ORTIZ (at the request of Mr. FOLEY), for today and the balance of the week on account of illness.

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GOODLING) to revise and extend their remarks and include extraneous material:)

Mr. BURTON of Indiana, for 60 minutes, today.

Mr. RITTER, for 60 minutes, today.

(The following Members (at the request of Mr. MURPHY) to revise and extend their remarks and include extraneous material:)

Mr. LIPINSKI, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. KLECZKA, for 5 minutes, today.

Mr. ALEXANDER, for 5 minutes, today.

Mr. HOYER, for 30 minutes, today.

## EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. GOODLING) and to include extraneous matter:)

Mr. CRANE in two instances.

Mr. FISH.

Mr. PURSELL.

Mr. DAVIS.

Mr. SMITH of New Jersey in two instances.

Mr. SOLOMON.

Mr. BATEMAN.

Mr. BARTON of Texas.

Mr. COX.

Mr. BUECHNER.

Mr. DENNY SMITH in two instances.

Mr. WYLIE in two instances.

Mr. COLEMAN of Missouri.

Mr. MARLENEE in two instances.

Mr. TAUKE.

(The following Members (at the request of Mr. MURPHY) and to include extraneous matter:)

Mr. ACKERMAN.

Mr. ROBINSON.

Mr. LIPINKSI.

Mr. FORD of Michigan.

Mr. ATKINS.

Mr. FAUNTROY.

Mr. RANGEL.

Mr. FLORIO.

Mr. SMITH of Florida in three instances.

Mr. DORGAN of North Dakota.

Mr. MANTON.

Mr. LANTOS in two instances.

Mr. ROE in two instances.

Mr. MCMILLEN of Maryland.

Mr. GORDON in three instances.

Mr. HOCHBRUECKNER.

Mr. KASTENMEIER.

Mr. FOGLIETTA.

Mr. JONES of North Carolina.

Mr. COOPER.

Mr. DWYER of New Jersey.

Mr. MORRISON of Connecticut.

Mr. ECKART.

Mr. LEVINE of California.

Mr. SKELTON.

Mr. RAHALL.

Mr. STARK in three instances.

Mr. MRAZEK.

Mr. DARDEN.

Mr. HAMILTON.

Mr. TORRES.

Mr. DE LUGO.

Mr. LELAND in two instances.

Mr. GEPHARDT.

Mr. MARKEY.

## SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 20. An act to amend title 5, United States Code, to strengthen the protections available to Federal employees against prohibited personnel practices, and for other purposes.

## ADJOURNMENT

Mr. MURPHY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 24 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, March 23, 1989, at 10 a.m.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

822. A letter from the Secretary, Department of Agriculture, transmitting a draft of proposed legislation to authorize the planning and construction by the Secretary of Agriculture of a facility to provide additional storage space and the renovation of existing facilities to provide laboratories at the National Seed Storage Laboratory, Fort Collins, CO; to the Committee on Agriculture.

823. A letter from the Secretary of Agriculture, a draft of proposed legislation to authorize appropriations for the planning, construction, acquisition, alteration, repair of facilities, and other public improvements of the Agricultural Research Service at the Beltsville Agricultural Research Center, Beltsville, MD, and for other purposes, pursuant to 31 U.S.C. 1110; to the Committee on Agriculture.

824. A letter from the Acting Secretary of the Air Force, transmitting notification that the Army Ground Station Module portion of the Joint Stars program has exceeded its baseline unit cost by more than 15 percent, pursuant to 10 U.S.C. 2431(b)(3)(A); to the Committee on Armed Services.

825. A letter from the Deputy General Counsel, Department of Defense, transitting a draft of proposed legislation to amend chapter 141 of title 10, United States Code, with respect to the procurement of communications support and related supplies and services; to the Committee on Armed Services.

826. A letter from the Chairman, Federal Trade Commission, transmitting the eleventh annual report concerning the administration and enforcement of the Fair Debt Collection Practices Act, pursuant to 15 U.S.C. 1692m; to the Committee on Banking, Finance and Urban Affairs.

827. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 8-8, "District of Columbia Public School Firearm Prohibition Temporary Act of 1989," pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

828. A letter from the Secretary of Education, transmitting a copy of Final Regulations—Strengthening Institutions Program, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

829. A letter from the Acting Director, Defense Security Assistance Agency, transmitting an addendum to the listing of all outstanding letters of offer to sell any major defense equipment for $1 million or more; an addendum to the listing of all letters of offer for major defense equipment valued at $1 million or more that were accepted as of December 31, 1988, pursuant to 22 U.S.C. 2776(a); to the Committee on Foreign Affairs.

830. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a report containing an analysis and description of services performed by full-time USG employees as of 30 September 1988 for which reimbursement is provided under section 21(a) or section 43(b) of the AECA; to the Committee on Foreign Affairs.

831. A letter from the Assistant Secretary of State, Legislative Affairs, transmitting copies of the original report of political contributions by James Roderick Lilley, of Maryland, Ambassador Extraordinary and Plenipotentiary of the U.S.-designate to the People's Republic of China, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

832. A letter from the Acting Director, Defense Security Assistance Agency, transmitting copies of certain FMS quarterly reports for the first quarter of fiscal year 1989, October 1, 1988—December 31, 1988, pursuant to the Committee on Government Operations; to the Committee on Foreign Affairs.

833. A letter from the Assistant Secretary, Legislative Affairs, Department of State, transmitting a report covering employment of nationals of Communist countries at United States diplomatic and consular missions in Communist countries, pursuant to Public Law 100-204, section 157; to the Committee on Foreign Affairs.

834. A letter from the Administrator, Panama Canal Commission, transmitting the annual report of the Commission's activities under the Freedom of Information Act, calendar year 1988, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

835. A letter from the Assistant Secretary of State, Legislative Affairs, transmitting the annual report of the Department's activities under the Freedom of Information Act, calendar year 1988, pursuant to 5

U.S.C. 552(d); to the Committee on Government Operations.

836. A letter from the Executive Director, National Mediation Board, transmitting the annual report of the Board's activities under the Freedom of Information Act, calendar year 1988, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

837. A letter from the Secretary, Federal Trade Commission, transmitting the annual report of the Commission's activities under the Freedom of Information Act, calendar year 1988, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

838. A letter from the Deputy Associate Director for Collection and Disbursements, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

839. A letter from the Director, United States Office of Personnel Management, transmitting a draft of proposed legislation to amend title 5, United States Code, to allow degree training for Federal employees in critical skills occupations, and for other purposes; to the Committee on Post Office and Civil Service.

840. A letter from the Secretary, Department of Transportation, transmitting a draft of proposed legislation to amend the Act creating the Saint Lawrence Seaway Development Corporation to eliminate the transfer of the Corporation's toll revenues to the Harbor Maintenance Trust Fund, and for other purposes; to the Committee on Public Works and Transportation.

841. A letter from the Chairman, Arctic Research Commission, transmitting the annual report of the activities and accomplishments of the Commission for the period 1 October 1987—30 September 1988, pursuant to 15 U.S.C. 4103(b); to the Committee on Science, Space, and Technology.

842. A letter from the Administrator, National Aeronautics and Space Administration, transmitting the first report on progress during the past year and future plans for meeting the goal for transition of the U.S. Government to use the Systeme Internationale (SI) metric system, pursuant to Public Law 100-418, section 5614; to the Committee on Science, Space, and Technology.

843. A letter from the Commissioner of Customs, transmitting copies of "30/120 Day (District) Binding Rulings Program" and the "Pre-Entry (Line Review) Classification Program," new rulings recently implemented to enhance and expand existing procedures for commodity tariff classifications, pursuant to Public Law 100-418; to the Committee on Ways and Means.

844. A letter from the Secretary of Commerce, transmitting copies of the monthly reports on imports during November and December 1988 of strategic and critical materials from countries of the Council for Mutual Economic Assistance, pursuant to 22 U.S.C. 5092(b)(2); jointly to the Committees on Foreign Affairs and Ways and Means.

845. A letter from the Director, Office of Personnel Management, transmitting a report on the classification of certain positions at the Aeronautical Center, FAA, Department of Transportation on which the FAA may want to rebut certain of the findings; no action will be taken until further consultation; findings will be reported at that time, pursuant to Public Law 100-690, section 7211(c); jointly to the Committees on Post Office and Civil Service and Public Works and Transportation.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KASTENMEIER:

H.R. 1556. A bill to amend title 35, United States Code, relating to animal patents; to the Committee on the Judiciary.

H.R. 1557. A bill to regulate the use of genetically engineered animals in agricultural activities, and for other purposes; jointly to the Committees on Science, Space, and Technology and Agriculture.

By Mr. BARTON of Texas (for himself, Mr. WILSON, Mr. STENHOLM, Mr. ENGLISH, Mr. SKEEN, Mr. LIVINGSTON, Mr. ANDREWS, Mr. LELAND, Mr. RICHARDSON, Mr. SMITH of Texas, and Mr. CLINGER):

H.R. 1558. A bill to amend the Energy and Conservation Act with respect to the Strategic Petroleum Reserve and the International Energy Program, and to amend the Internal Revenue Code of 1986 to impose a tax on the importation of crude oil and petroleum products; jointly to the Committees on Energy and Commerce and Ways and Means.

By Mr. BUECHNER:

H.R. 1559. A bill to require the Secretary of Energy to conduct certain projects relating to the Department of Energy civilian energy research and development waste currently located at sites in Missouri; to the Committee on Science, Space, and Technology.

By Mr. HUGHES (for himself, Mr. SAXTON, and Mr. PALLONE):

H.R. 1560. A bill to amend title 18, United States Code, to provide penalties for dumping in the high seas, and for other purposes; to the Committee on the Judiciary.

By Mr. BUSTAMANTE (for himself, Mr. FUSTER, Mr. DE LA GARZA, Mr. DE LUGO, Mr. ORTIZ, Mr. GARCIA, Mr. TORRES, Mr. BLAZ, Mr. COLEMAN of Texas, and Mr. FAUNTROY):

H.R. 1561. A bill to provide Hispanic-serving institutions of higher education with financial assistance to improve their capacity to expand Hispanic educational attainment; to the Committee on Education and Labor.

By Mr. CALLAHAN:

H.R. 1562. A bill to provide Federal recognition of the Mowa Band of Choctaw Indians of Alabama; to the Committee on Interior and Insular Affairs.

By Mr. DAVIS (for himself, Mr. JONES of North Carolina, Mr. TALLON, Mr. GOSS, Mr. HUTTO, Mr. FIELDS, Mr. COBLE, Mr. MOAKLEY, and Mr. JONES of Georgia):

H.R. 1563. A bill to preserve the United States' title and interest in the C.S.S. Alabama and to encourage its preservation; jointly, to the Committee on Foreign Affairs and Merchant Marine and Fisheries.

By Mr. DEFAZIO (for himself and Mr. TAUKE):

H.R. 1564. A bill to amend title XVIII of the Social Security Act and other provisions of law to delay for one year the effective dates of the supplemental Medicare premium and additional benefits under part B of the Medicare Program, with the exception of the spousal impoverishment benefit; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. DORGAN of North Dakota (for himself and Mr. STALLINGS):

H.R. 1565. A bill to amend the Internal Revenue Code of 1986 to allow institutions of the farm credit system to deduct amounts added to a reserve for bad debts under rules applicable to the deduction of such amounts by small banks; to the Committee on Ways and Means.

By Mr. FRANK:

H.R. 1566. A bill to amend the Truth in Lending Act to protect the right to financial privacy by establishing standards with respect to the type and amount of information which creditors may require borrowers to provide in connection with consumer loan applications, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. HUNTER (for himself, Mrs. BENTLEY, and Mr. DORNAN of California):

H.R. 1567. A bill to apply sanctions against foreign entities that provide, or have provided, assistance in the construction or operation of the chemical weapons factory at Rabta, Libya; jointly, to the Committees on Ways and Means, Government Operations and Permanent Select Committee on Intelligence.

By Mrs. KENNELLY (for herself, Mr. OWENS of New York, Mr. BATES, Mr. DWYER of New Jersey, Mr. FAUNTROY, Mr. MCDERMOTT, Mrs. COLLINS, Mr. FLORIO, Mr. ENGEL, Mr. LEWIS of Georgia, Mr. CROCKETT, Mr. GARCIA, Ms. KAPTUR, Ms. OAKAR, Mr. DAVIS, Mr. BRYANT, Mr. LAFALCE, Mr. CONYERS, Mr. NEAL of North Carolina, Mr. FOGLIETTA, Mr. LEVIN of Michigan, Mr. FORD of Tennessee, Mr. SAVAGE, Ms. PELOSI, Mr. COYNE, Mrs. SAIKI, Mr. THOMAS A. LUKEN, Mr. HERTEL, and Mr. ROE):

H.R. 1568. A bill to amend title V of the Social Security Act to provide for supplemental resources to enhance the delivery of health services to pregnant women and infants; to the Committee on Energy and Commerce.

By Mr. LANTOS:

H.R. 1569. A bill to repeal the reinsurance requirement under the life insurance program for Federal employees; to the Committee on Post Office and Civil Service.

By Mr. LEWIS of Georgia (for himself, Mr. DELLUMS, Mr. CLAY, Mrs. COLLINS, Mr. CONYERS, Mr. CROCKETT, Mr. DYMALLY, Mr. ESPY, Mr. FAUNTROY, Mr. FLAKE, Mr. FORD of Tennessee, Mr. GRAY, Mr. HAWKINS, Mr. HAYES of Illinois, Mr. MFUME, Mr. OWENS of New York, Mr. PAYNE of New Jersey, Mr. RANGEL, Mr. SAVAGE, Mr. STOKES, Mr. TOWNS, Mr. WHEAT, Mr. VALENTINE, Mr. PARKER, Mr. JONES of Georgia, and Mr. DIXON):

H.R. 1570. A bill to authorize the establishment of the National African-American Heritage Memorial Museum within the Smithsonian Institution; jointly, to the Committees on Public Works and Transportation and House Administration.

By Mr. MCEWEN (for himself, Mr. CHANDLER, and Mr. MILLER of Washington):

H.R. 1571. A bill to amend the harmonized tariff schedule of the United States to suspend the duties on certain bicycle parts, and for other purposes; to the Committee on Ways and Means.

By Mr. MARKEY (for himself, Mr. DINGELL, Mr. SWIFT, Mr. LELAND, Mr. SYNAR, Mr. TAUZIN, Mr. ECKART, Mr. RICHARDSON, Mr. SLATTERY, Mr.

BRYANT, Mr. BOUCHER, Mr. COOPER, Mr. MANTON, and Mr. WYDEN):

H.R. 1572. A bill to require the Federal Communications Commission to collect sufficient information to determine the effect of implementing price cap regulation on interstate telephone rates, and for other purposes; to the Committee on Energy and Commerce.

By Mr. MILLER of California (for himself, Mr. ANTHONY, Mrs. BOGGS, Mrs. BOXER, Mr. DURBIN, Mr. EVANS, Mr. LEHMAN of Florida, Mr. LELAND, Mr. LEVIN of Michigan, Mr. MARTINEZ, Mr. MCHUGH, Mr. MORRISON of Connecticut, Mrs. SCHROEDER, Mr. SIKORSKI, Mr. SKAGGS, Mr. WAXMAN, Mr. WEISS, and Mr. WHEAT):

H.R. 1573. A bill to amend certain acts to provide for improved and expanded services with respect to the health of children, and for other purposes; jointly, to the Committees on Energy and Commerce and Education and Labor.

By Mr. MRAZEK:

H.R. 1574. A bill to establish the Commission on International Security and Satellite Monitoring; jointly, to the Committees on Foreign Affairs, Permanent Select Committee on Intelligence, and Science, Space, and Technology.

By Mr. ORTIZ (for himself and Mr. DE LA GARZA):

H.R. 1575. A bill to provide for the establishment of a new medical facility for veterans in south Texas; to the Committee on Veterans' Affairs.

By Mr. STAGGERS:

H.R. 1576. A bill to modify the boundary of the Cranberry Wilderness, located in the Monongahela National Forest, WV; jointly, to the Committees on Agriculture and Interior and Insular Affairs.

By Mr. TORRES (for himself and Mr. WAXMAN):

H.R. 1577. A bill to amend the Clean Air Act to require new stationary sources of air pollutants which are located in nonattainment areas to periodically reduce emissions; to the Committee on Energy and Commerce.

By Mr. TRAFICANT:

H.R. 1578. A bill to suspend most-favored-nation trade privileges to the Socialist Federal Republic of Yugoslavia; to the Committee on Ways and Means.

By Mr. UPTON:

H.R. 1579. A bill to amend the Internal Revenue Code of 1986 to provide that the one-time exclusion of gain from sale of a principal residence shall not be precluded because the taxpayer's spouse, before becoming married to the taxpayer, elected the exclusion; to the Committee on Ways and Means.

By Mr. FISH (for himself, Mr. ACKERMAN, Mr. BERMAN, Mr. BEVILL, Mr. BLILEY, Mrs. BOXER, Mr. BUSTAMANTE, Mr. CARPER, Mr. CLAY, Mrs. COLLINS, Mr. CONTE, Mr. CROCKETT, Mr. DARDEN, Mr. DEFAZIO, Mr. DORNAN of California, Mr. DYMALLY, Mr. FAZIO, Mr. FOGLIETTA, Mr. FRENZEL, Mr. GILMAN, Mr. HAYES of Illinois, Mr. HEFNER, Mr. HORTON, Mr. HUGHES, Mrs. JOHNSON of Connecticut, Mr. JONES of North Carolina, Mr. KASTENMEIER, Mr. KOSTMAYER, Mr. LEHMAN of Florida, Mr. LANTOS, Mr. LIPINSKI, Mr. MARTINEZ, Mr. MILLER of California, Mr. MOAKLEY, Mr. MONTGOMERY, Mr. PICKETT, Mr. ROE, Mr. SCHUMER, Mr. TRAXLER, Mr. VOLKMER, and Mr. WOLF):

H.J. Res. 214. Joint resolution designating the week of October 23 through October 29, 1989, as "Eating Disorders Awareness Week;" to the Committee on Post Office and Civil Service.

By Mr. LELAND:

H.J. Res. 215. Joint resolution to designate the week of October 8 through 14, 1989, as "National Week of Commitment to Helping the Homeless"; to the Committee on Post Office and Civil Service.

By Mr. SMITH of New Jersey (for himself, Mr. MOLLOHAN, and Mr. HYDE):

H. Con. Res. 80. Concurrent resolution concerning United States policy toward the one-child-per-family program and forced abortion policies of the People's Republic of China; to the Committee on Foreign Affairs.

By Mr. WYLIE (for himself, Mr. ANNUNZIO, Mrs. ROUKEMA, Mr. DREIER of California, Mr. RIDGE, Mr. BARTLETT, Mr. FAUNTROY, Mr. BARNARD, Mr. FRANK, Mr. KLECZKA, and Mr. PRICE):

H. Res. 113. Resolution to establish the Select Committee on Housing and Tax Policy; to the Committee on Rules.

By Mr. MICHEL:

H. Res. 114. Resolution relating to the compensation of certain minority employees; considered and agreed to.

By Mrs. MARTIN of Illinois (for herself, Mr. QUILLEN, Mr. SOLOMON, and Mr. PASHAYAN):

H. Res. 115. Resolution to establish a Committee on Drug Abuse and Control and to abolish the Select Committee on Narcotics Abuse and Control; to the Committee on Rules.

## MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

38. By the SPEAKER: Memorial of the Legislature of the State of Utah, relative to consideration of the designation of additional land in Utah as wilderness; to the Committee on Interior and Insular Affairs.

39. Also, memorial of the General Assembly of the State of Iowa, relative to proposing an amendment to the Constitution relative to an increase in compensation for Members of Congress; to the Committee on the Judiciary.

40. Also, memorial of the Legislature of the State of New York, relative to recent decisions of the U.S. Supreme Court interpreting the tenth amendment to the Constitution of the United States; to the Committee on the Judiciary.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII:

Mr. HUTTO introduced a bill (H.R. 1580) to authorize issuance of a certificate of documentation for the vessel M/V *Northern Victor;* which was referred to the Committee on Merchant Marine and Fisheries.

## ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 22: Mr. ORTIZ, Mr. KOLTER, Mr. DEFAZIO, and Mr. ASPIN.

H.R. 46: Mr. FEIGHAN.

H.R. 156: Mr. LEHMAN of Florida and Mr. WILLIAMS.

H.R. 191: Mr. CLINGER and Mr. EMERSON.

H.R. 237: Mr. GLICKMAN, Mr. BONIOR, Mr. ENGEL, Mr. ACKERMAN, Mr. FAZIO, Mr. MINETA, and Mr. DEFAZIO.

H.R. 360: Mr. FEIGHAN.

H.R. 361: Mr. FEIGHAN.

H.R. 362: Mr. WHITTAKER and Mr. THOMAS A. LUKEN.

H.R. 416: Mr. RICHARDSON.

H.R. 418: Mr. RAHALL, Mr. LEHMAN of California, Mr. DIXON, and Mr. BOUCHER.

H.R. 436: Mr. BARNARD, Mr. WILLIAMS, Mr. KILDEE, Mr. BRYANT, and Mr. FRANK.

H.R. 455: Mr. CROCKETT, Mr. GLICKMAN, Mr. LANCASTER, Mr. BLILEY, Mr. BROOKS, Mr. DELLUMS, Mr. HAYES of Illinois, Mr. DYMALLY, Mr. DE LUGO, Mr. BEREUTER, Mr. KOLBE, Mr. MOAKLEY, Mr. PACKARD, Mr. ECKART, Mr. FOGLIETTA, Mr. CRAIG, and Mr. FAZIO.

H.R. 499: Mr. DONALD E. LUKENS.

H.R. 504: Mr. DONALD E. LUKENS.

H.R. 560: Mrs. SAIKI, Mr. FAUNTROY, Mr. GEJDENSON, and Mr. PEPPER.

H.R. 561: Mr. DURBIN, Mr. MCCOLLUM, and Mrs. UNSOELD.

H.R. 563: Mr. JOHNSON of South Dakota, Mr. HOYER, and Mr. ENGLISH.

H.R. 575: Mr. PAXON.

H.R. 587: Mr. FRANK, Mr. PENNY, Mr. MORRISON of Connecticut, Mr. ROBINSON, Mr. OWENS of New York, Mrs. COLLINS, Mr. LEWIS of Georgia, Mr. FAZIO, and Mr. BEVILL.

H.R. 628: Mr. FAUNTROY, Mr. MORRISON of Connecticut, Mr. DYMALLY, Mr. ATKINS, and Mrs. BOXER.

H.R. 691: Mr. ARMEY, Mr. BLILEY, Mr. FAUNTROY, Mr. STEARNS, and Mr. BEREUTER.

H.R. 699: Mr. FRANK, Mr. FAUNTROY, Mr. FOGLIETTA, Mr. DWYER of New Jersey, Mr. MOAKLEY, Mr. TALLON, Mrs. COLLINS, Mr. PALLONE, Mr. BONIOR, Mr. ACKERMAN, Mr. COSTELLO, Mr. STUDDS, Mrs. BOXER, Mr. FAZIO, Mr. BUSTAMANTE, Mr. VENTO, Mr. ATKINS, Mr. BROWN of California, Mr. STARK, Mr. AUCOIN, and Mr. WHEAT.

H.R. 705: Mr. DE LUGO, Mr. LANCASTER, Mr. DARDEN, Mr. LAFALCE, Mr. SHAYS, Ms. KAPTUR, Mr. DELLUMS, Mr. LANTOS, Mr. JONTZ, Mr. BARTON of Texas, Mr. BRYANT, Mr. SOLARZ, Mr. DYSON, Mr. MCDERMOTT, Mr. RINALDO, Mr. MAVROULES, Mr. GOSS, Mr. OWENS of New York, Mr. BONIOR, Mr. FOGLIETTA, Mr. MACHTLEY, Mr. WILLIAMS, and Mr. MFUME.

H.R. 747: Mr. FRENZEL, Mrs. LOWEY of New York, Mr. BALLENGER, Mr. PAXON, Mr. ANNUNZIO, Mr. FALEOMAVAEGA, Mr. ORTIZ, Mr. JAMES, Mr. STALLINGS, Mr. ROBERT F. SMITH, Mr. BEVILL, Mr. DUNCAN, Mr. SMITH of Florida, Mr. COSTELLO, Mr. FLAKE, Mr. SENSENBRENNER, Mr. MACHTLEY, Mr. LEACH of Iowa, Mrs. SAIKI, Mr. PEPPER, Mr. REGULA, Mr. MILLER of California, Mr. FAUNTROY, Mr. SCHAEFER, Mr. MCCURDY, Mr. ROBINSON, and Mr. SKEEN.

H.R. 759: Mr. THOMAS of California, Mr. PASHAYAN, and Mr. MOORHEAD.

H.R. 760: Mr. FROST, Mr. ARMEY, Mr. WHITTAKER, Mr. BARTON of Texas, and Mr. LEATH of Texas.

H.R. 794: Mr. KENNEDY and Mr. ROE.

H.R. 799: Mr. LIGHTFOOT.

H.R. 821: Mrs. MORELLA.

H.R. 857: Ms. SCHNEIDER, Mr. AUCOIN, Mr. EDWARDS of California, Mr. BEILENSON, Mr. MATSUI, Mr. KOSTMAYER, Mr. SCHEUER, Mr. BERMAN, Mrs. MORELLA, Mrs. COLLINS, Mr. OWENS of New York, Mr. HAYES of Illinois, Mr. STOKES, Mr. MILLER of California, Mr. DEFAZIO, Mr. FRANK, Mr. MCDERMOTT, Mr.

STUDDS, Mr. WILSON, Mrs. JOHNSON of Connecticut, Ms. PELOSI, Mrs. BOXER, Mr. SKAGGS, Mr. WOLPE, Mr. DYMALLY, Mr. STARK, Mr. WHEAT, Mr. WYDEN, Mr. LEHMAN of Florida, Mr. UDALL, Mr. WEISS, Mr. GILMAN, Mr. MORRISON of Connecticut, Mr. FOGLIETTA, Mr. LEVIN of Michigan, Mr. ENGEL, Mrs. ROUKEMA, and Mr. CLAY.

H.R. 895: Mr. VOLKMER.

H.R. 917: Mr. YATRON.

H.R. 1068: Mr. BILIRAKIS, Mr. MILLER of Washington, Mr. QUILLEN, Mr. FRENZEL, Mr. DENNY SMITH, Mr. MORRISON of Connecticut, Mr. MOORHEAD, Mr. FASCELL, Mr. ROE, and Mr. PANETTA.

H.R. 1079: Mr. RAHALL and Mr. DONALD E. LUKENS.

H.R. 1080: Mr. HOLLOWAY, Mr. KYL, Mr. KOLBE, Mr. HERGER, Mr. HILER, and Mr. WALSH.

H.R. 1112: Mr. LANTOS.

H.R. 1150: Mr. MILLER of California and Mr. OWENS of New York.

H.R. 1165: Mr. GARCIA, Mr. MOAKLEY, Mr. MILLER of Washington, Ms. PELOSI, Mr. DONALD E. LUKENS, Mr. BUNNING, Mr. LEWIS of Georgia, and Mr. HASTERT.

H.R. 1170: Mr. FOGLIETTA.

H.R. 1172: Mr. HAYES of Louisiana and Mr. ESPY.

H.R. 1200: Mr. MCNULTY, Mr. ROWLAND of Connecticut, Mr. GLICKMAN, Mr. SMITH of New Hampshire, Mr. FRANK, Mr. ENGEL, Mr. JOHNSON of South Dakota, Mr. RAHALL, Mr. LEWIS of Georgia, Mr. BARTLETT, Mr. SOLOMON, Mr. BALLENGER, Mr. MANTON, Mr. WILLIAMS, Mr. DYSON, Mr. HOPKINS, Mr. SMITH of Vermont, Mr. AKAKA, Mr. GORDON, Mr. COOPER, Mr. HOCHBRUECKNER, Mr. WATKINS, Mrs. BOXER, and Mr. MOLLOHAN.

H.R. 1226: Mr. ROE.

H.R. 1276: Mr. CAMPBELL of Colorado and Mr. SHUMWAY.

H.R. 1283: Mr. BEILENSON, Mr. OLIN, and Mr. LANTOS.

H.R. 1286: Mr. GUNDERSON, Mr. LIPINSKI, Mr. OWENS of New York, Mr. BUSTAMANTE, and Mr. HUGHES.

H.R. 1287: Mr. LIVINGSTON, Mr. LAGOMARSINO, Mr. DOUGLAS, Mr. PACKARD, Mr. BLILEY, Mr. BALLENGER, and Mr. EMERSON.

H.R. 1295: Mr. HORTON, Mr. PARRIS, Mr. HANSEN, and Mr. KLECZKA.

H.R. 1304: Mr. DOWNEY and Mr. ATKINS.

H.R. 1307: Mr. MCEWEN, Mr. CHAPMAN, Ms. OAKAR, Mr. HANSEN, Mr. COUGHLIN, Mr. BURTON of Indiana, Mr. TALLON, Mrs. ROUKEMA, Mr. SHAW, Mrs. VUCANOVICH, Mr. HILER, Mr. PORTER, Mr. TRAFICANT, Mr. BRUCE, Mr. ROWLAND of Georgia, Mr. SCHUETTE, Mr. HUTTO, Mr. SHUMWAY, and Mr. ESPY.

H.R. 1317: Mr. LEWIS of Georgia.

H.R. 1351: Mr. VOLKMER, Mr. MCEWEN, Mr. HOCHBRUECKNER, Mr. BARTON of Texas, Mr. DONALD E. LUKENS, and Mr. GALLEGLY.

H.R. 1391: Mr. WILSON.

H.R. 1417: Mr. FRANK, Mr. NEAL of Massachusetts, Mr. RAHALL, Mr. MANTON, Mrs. COLLINS, Mr. ERDREICH, Mr. FAUNTROY, and Mr. GUARINI.

H.R. 1425: Mr. FAUNTROY, Mr. DYMALLY, Mr. STARK, Mr. LEHMAN of California, Mrs. COLLINS, and Mrs. BOXER.

H.R. 1466: Mr. CLINGER.

H.R. 1470: Mr. BORSKI and Mrs. MEYERS of Kansas.

H.R. 1515: Mr. ECKART, Mr. RITTER, Mr. HUNTER, and Mr. CLINGER.

H.J. Res. 13: Mr. HOLLOWAY.

H.J. Res. 28: Mr. KOLBE.

H.J. Res. 34: Mr. HERGER and Mr. ROBINSON.

H.J. Res. 54: Mr. OWENS of New York, Mrs. COLLINS, Mr. BATES, Mrs. BOXER, Mr. EDWARDS of California, Mr. DEFAZIO, Mr. FAUNTROY, Mr. DYMALLY, Mr. RANGEL, Mr. CONYERS, Mr. CLAY, Mr. ROYBAL, Mr. OLIN, Mr. HAYES of Illinois, Mr. LELAND, Mr. ACKERMAN, Mr. TORRES, Mr. LEWIS of Georgia, and Mr. FOGLIETTA.

H.J. Res. 137: Mr. STUDDS, Mr. LEHMAN of Florida, Mr. ATKINS, Mr. HAMILTON, Mr. CARPER, Mr. BATES, and Mr. VENTO.

H.J. Res. 140: Mr. LANTOS, Mr. OXLEY, Ms. KAPTUR, Mr. LEWIS of California, Mr. VANDER JAGT, Mr. GINGRICH, Mr. GILMAN, Mr. WAXMAN, Mr. VOLKMER, Mr. SKEEN, Mr. TRAXLER, Mr. JOHNSON of South Dakota, Mr. CRAIG, Mr. WALSH, Mr. SMITH of Vermont, Mr. SHUMWAY, Mr. JONES of Georgia, and Mr. MOORHEAD.

H.J. Res. 151: Mr. HUCKABY, Mrs. JOHNSON of Connecticut, Mr. GARCIA, Mr. ROWLAND of Connecticut, Mr. LANCASTER, Mr. SCHAEFER, Mr. HYDE, Mr. LEVIN of Michigan, Mrs. MARTIN of Illinois, Mr. SMITH of Florida, Mr. WOLPE, Mr. LAGOMARSINO, Mr. FISH, Mr. GALLEGLY, Mr. HORTON, Mr. SMITH of New Jersey, Mr. HEFNER, Mrs. BENTLEY, Mr. CHANDLER, Mr. WEBER, Mr. BROWN of Colorado, Mr. RITTER, Mr. HANCOCK, Mr. HENRY, Mr. WALSH, Mrs. COLLINS, Mr. QUILLEN, Mr. REGULA, Mr. COURTER, Mr. MCGRATH, Mr. ESPY, and Mr. CLINGER.

H.J. Res. 182: Mr. COBLE, Mr. DREIER of California, Mr. SLAUGHTER of Virginia, Mr. OWENS of Utah, Mr. GILMAN, Mr. PAXON, Mr. PAYNE of New Jersey, Mrs. VUCANOVICH, Mr. RHODES, Mr. LEWIS of California, Mr. LEWIS of Florida, Mr. LIVINGSTON, Mr. BOEHLERT, Ms. SNOWE, Mr. HUNTER, Mr. MADIGAN, Mr. SCHIFF, Mr. ROWLAND of Georgia, Mr. WEBER, Mr. GUNDERSON, Mr. UPTON, Mr. WALKER, Mr. KYL, Mr. COX, Mr. DARDEN, Mr. GOSS, Mr. HASTERT, Mr. DUNCAN, Mr. GOODLING, Mr. GRANDY, Mr. DEWINE, Mr. LIGHTFOOT, Mr. STANGELAND, Mrs. MARTIN of Illinois, Mr. MACHTLEY, Mr. SMITH of New Jersey, Mr. SHAYS, Mr. GILLMOR, and Mrs. JOHNSON of Connecticut.

H.J. Res. 183: Mr. DORNAN of California, Mr. HAYES of Louisiana, Mr. HORTON, Mr. SOLOMON, Mr. TRAXLER, Mr. LIPINSKI, Mr. MCMILLEN of Maryland, Mr. DYSON, Mr. BOEHLERT, Mr. HUTTO, Mr. SMITH of Florida, Mr. DONALD E. LUKENS, Mr. ROE, Mr. LAGOMARSINO, Mr. SARPALIUS, Mr. DWYER of New Jersey, Mr. YATRON, Mr. MONTGOMERY, Mrs. MORELLA, Mr. HOYER, Mr. FLORIO, Mrs. COLLINS, and Mrs. BOXER.

H.J. Res. 189: Mr. DELAY, Mr. SMITH of Mississippi, Mr. DENNY SMITH, and Mr. CRANE.

H. Con. Res. 14: Mr. YATRON, Mr. BROOMFIELD, Mr. SENSENBRENNER, Mrs. MARTIN of Illinois, Mr. HALL of Ohio, Mr. LEVIN of Michigan, and Mr. JONES of Georgia.

H. Con. Res. 41: Mr. FORD of Michigan, Mr. PAXON, Mr. RAHALL, Mr. TALLON, and Mr. SANGMEISTER.

H. Con. Res. 62: Mr. MRAZEK, Mr. MORRISON of Connecticut, Mr. FAZIO, Mr. MCDERMOTT, Mr. WEISS, Mr. MCGRATH, Mr. MAVROULES, Mr. HOCHBRUECKNER, and Mrs. LOWEY of New York.

H. Res. 17: Mrs. ROUKEMA, Mr. BOEHLERT, Mr. ROWLAND of Connecticut, Mr. OWENS of New York, Mr. SHARP, Mr. COURTER, Mr. DWYER of New Jersey, Mr. SMITH of New Hampshire, Mr. HERTEL, and Mr. EVANS.

H. Res. 23: Mr. VENTO.

H. Res. 41: Mr. DARDEN, Mr. HANSEN, Mr. HEFLEY, Mr. KYL, Mr. LEHMAN of California, Mr. LEWIS of California, Mr. MCCANDLESS, Mr. OWENS of Utah, Mr. PARRIS, Mrs. PATTERSON, Mr. SHAW, Mr. SKELTON, and Mr. WILSON.

## PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

25. By the SPEAKER: Petition of the American Bar Association, Chicago, IL, relative to nuclear arms control; to the Committee on Foreign Affairs.

26. Also, petition of the Fulton County Board, IL, relative to the continuation of efforts to locate American POW/MIA's; to the Committee on Foreign Affairs.

# EXTENSIONS OF REMARKS

## RURAL EMERGENCY MEDICAL SERVICES IMPROVEMENT ACT

**HON. JIM COOPER**
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. COOPER. Mr. Speaker, living in a rural area can be hazardous to your health—but it doesn't have to be. The Rural Emergency Medical Services Improvement Act that I'm introducing today will make rural America a safer place to live and visit.

Studies show that you're twice as likely to die if you have an accident in a rural area than if that same accident took place in a big city. Rural areas have 20 percent of medical emergencies in this country, but they see 70 percent of highway deaths. In addition, rural occupations such as agriculture, mining, and lumbering are among the most dangerous of any jobs.

Yet many rural areas don't have the resources to support the level of emergency medical services needed. Some can barely scrape together the funds to keep one ambulance going. In the worst cases they just go without any ambulance at all. That's the situation now in one rural county in my district, and perilously close to being the case in another.

The 1970's were the heyday of emergency medical services in this country. The Vietnam war taught us that aggressive prehospital care vastly improves an emergency patient's chance of survivial and recovery. Until then, our Nation's healthcare system started at the hospital door, even if there was no organized way for the patient to reach that door.

As a result, in 1973, Congress enacted the Emergency Medical Services Systems Act. This legislation successfully promoted the establishment of emergency medical systems across the country. Both the Public Health Service and the National Highway Traffic Safety Administration [NHTSA] spent millions to get these systems in place.

The 1980's saw the decline of Federal leadership in this area. The Omnibus Budget Reconciliation Act of 1981 not only cut funds for emergency medical services, what was left was folded into the preventative health services block grant, restricted to just the planning of EMS systems, and had to compete with other functions such as rape crisis centers. NHTSA's funding plunged from $22 million in 1977 to $4 million in 1988.

While emergency medical services everywhere were affected, rural areas were particularly hardhit. Urban areas had the resources to absorb the loss of Federal funds. Rural areas, however, often lacked the tax base to support decent emergency medical services.

Many rural areas will probably never get sophisticated emergency equipment such as medivac helicopters or be able to pay highly specialized emergency medical personnel. There will probably always be rural ambulances that will have to be staffed by volunteers and funded by raffles. However, we must make sure that rural areas have at least the basics.

The Rural Medical Emergency Services Improvement Act would improve the availability and quality of rural emergency medical services in three ways.

First, it establishes a $45-million block grant program. Funds from the program would be used by States to recruit, train, and retain EMS personnel; to purchase, upgrade, and maintain EMS equipment; to develop preventative education programs, including those for occupational health and safety; and to develop local EMS systems in rural areas.

Second, it requires the Health Care Financing Administration to conduct a comprehensive study of the way Medicare and Medicaid reimburse ambulances. The study will include recommendations for reforming reimbursement of ambulances to promote more efficient service and to maintain an adequate level of service in rural areas.

Third, it authorizes demonstration projects such as continuing education for rural EMS personnel and reducing rural occupational hazards.

This legislation addresses the needs of rural EMS as identified by those who know them first-hand. The National Association of State EMS Directors just completed a 50-State survey on rural EMS needs in January. According to their survey, the top priorities in rural EMS are training and keeping qualified personnel, financing EMS services, communications, and systems development.

At the top of the list is recruiting and retaining EMS personnel such as emergency medical technicians and paramedics. The main problem is pay. As in other health professions, emergency medical technicians and paramedics can get better pay in urban areas, and often succumb to the lure of those higher wages.

Those who stay on the job in rural areas have difficulty getting enough on-the-job experience to maintain their skills and getting access to academic training to upgrade their skills; 65 percent of prehospital providers of emergency medical care are volunteers, and almost all those volunteers serve in rural areas. Low population densities mean they often don't get enough experience to develop and maintain their skills. And long distances make it difficult, if not impossible, to get to places that offer EMS training.

There are several factors that make it critical that rural EMS personnel get the best training possible. Time is of the essence in an emergency, especially for trauma victims—those with severe and life-threatening injuries. But in rural areas problems with transportation, communication, rugged terrain or vast distances make it hard to get to a sick or injured person quickly and administer optimal care. This is exacerbated by the precarious state of rural hospitals and the alarming rate at which they are closing.

My bill will help develop programs to recruit and retrain rural EMS personnel, and to get them the training they need. The block grant portion of the bill will give direct financial support to this effort. The demonstration projects will spur development of innovative educational methods such as home studies or mobile training units to overcome the barriers to continuing education that rural EMS personnel currently face. The demonstration projects are also designed to address two of the other priorities identified in the State EMS Directors' survey: Financing mechanisms and communications.

This legislation meets another need listed in the survey results—development of local EMS systems. An EMS system basically maps out a plan of action from the first call for help all the way up to the hospital door. It ensures that emergency personnel know where to take an emergency patient to get the best care. Sometimes the closest hospital is fine; in other cases a facility that's further away but has specialized equipment is appropriate. Medical experts agree that this coordination is essential for optimal care.

While funds States receive from the preventative health services block grant can be used for planning EMS systems, sometimes other functions take priority. My bill just makes sure that in rural areas that need it, there will be some help in setting up a local EMS system.

As with other fields of medicine, advances in prehospital emergency equipment are being made quickly. A 1986 GAO report concluded that advanced life support ambulances—those with the sophisticated equipment that improves the chances of people in critical condition—are found primarily in urban areas. According to the report, "Low rural area caseloads often do not provide sufficient revenues to cover advanced life support fixed costs and preclude maintenance of staff medical skills."

My bill allows funds to be used to purchase, upgrade, and maintain equipment. For those struggling to get the essentials, that probably means basic life support ambulances. But for others that can support a higher level of services, the funds can be used to get advanced life support ambulances.

Another pressing concern identified in the survey is third-party reimbursement. While we can't directly alter the reimbursement practices of private insurers, we can make sure Federal reimbursement policies make sense.

For instance, ambulances comprise only 1 percent of Medicare's budget, but Medicare is the largest purchaser of ambulances services. Right now there's little rhyme or reason to Medicare's reimbursement policies for ambulances. They often promote inefficient subsidized services and fail to take into account the costs of volunteer or private ambulances.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

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As with other providers under Medicare part B, ambulances are reimbursed on a reasonable charge basis, but there the similarity ends. Medicare doesn't take into account the cost of providing services, how the service is funded, or the effect of its policies on the level of service in rural areas. A further problem is the inconsistent reimbursement practices of carriers in different areas.

Large cities often use municipal taxes for the total cost of their ambulance services, something rural areas often can't do. Some have just now found out that Medicare part B reimburses ambulance services, and have started to charge for them. They can charge a token level that depresses the prevailing charges for a locale and thus drive more efficient private services out of business.

Ambulance services in rural areas that can only get a small contribution from local governments may look to third party reimbursement to cover their costs. But Medicare's not flexible enough to respond, and this threatens the viability of services. This is true even in areas that depend heavily on volunteers. In other cases where a volunteer service fails, a private service can't come in and charge enough to keep their head above water.

The Health Care Financing Administration did initiate a study along these lines for Medicare a couple of years ago, but failed to complete it. The report required by my bill will prod them to revisit this issue and to look at both Medicare and Medicaid. This should help us get a handle on the whole situation.

Finally, my legislation highlights preventative education. The numerous factors that make treating rural medical emergencies so difficult make it imperative that folks in rural areas know what to do. The majority of rural areas don't have 911, so it's important to make sure they know how to access the emergency medical service where they live. Citizen first-aid is also vital.

Preventive education programs for occupational health and safety are the key. The most dangerous job by far in this country is logging—with an astounding death rate of 129 deaths per 100,000 workers. To give that perspective, public officials only have a death rate of 7.2 per 100,000.

Together, agriculture and mining have the highest death rates for any industry. They have only 4 percent of the workers but sustain 11 percent of disabling injuries. These inherently rural jobs are inherently dangerous; clearly, the need for preventive education measures are needed.

The National Coalition of Agricultural Safety and Health held a conference last fall in which they outline specific strategies to address this problem on the farm. I've incorporated one of their suggestions—community-based centers for preventive services—into this bill and expanded it to include all rural occupations.

Specifically, the bill funds pilot projects to establish community-based centers for comprehensive occupational health and safety services, including screening and education. For instance, the aflatoxin scare has negative health implications not only for people who eat corn, but for those who grow it too. A pilot center envisioned in my bill could warn farmers about the dangers and educate them about precautions to take when handling aflatoxin-contaminated corn.

This legislation enjoys the support of the National Association of State EMS Directors, the National Coalition for Agricultural Safety and Health, the National Association of Emergency Medical Technicians, the Mid-Atlantic EMS Council, the American Trauma Society, and the Charles McC. Mathias, Jr., National Study Center for Trauma and Emergency Medical Services.

This legislation is part of the Rural Health Care Coalition's 1989 legislative agenda. I'm pleased that several of my colleagues on the coalition, including the distinguished cochairmen Mr. SYNAR and Mr. TAUKE, have joined me as cosponsors of this bill. I urge my colleagues to support this important effort.

## WALTHER R. PUFFER

### HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. LEVINE of California. Mr. Speaker, I rise today to recognize the achievements of Walther R. Puffer, who will be retiring from the Beverly Hills Unified School District after a distinguished 35-year career as a teacher, administrator, and coach. On a personal note, I have known Coach Puffer since I was a student 30 years ago, and have followed his distinguished career with great personal pleasure.

In his 35 years with the Beverly Hills School District, Walt Puffer has held numerous significant positions in the high school, in three of the elementary schools, and in the district's central office.

After earning a B.S. in physical education from UCLA in 1952, Walt took a position with the county of Los Angeles as a district supervisor of 12 parks and 18 elementary schools. In 1954, he accepted his first position with the Beverly Hills School District, as a teacher and coach at Beverly Hills High School. While he was teaching at Beverly Hills High, he earned an M.S. in physical education at UCLA and an M.A. in school administration from California State in Los Angeles.

Walt left Beverly Hills High in 1966 to become assistant principal of Horace Mann School, and later that year moved to the Hawthorne School to fill an unexpected vacancy. He remained there for the following 6 years. In 1972 he became principal of the Beverly Vista School. He held that important position for a decade. In 1982, he was elected to his present position of assistant superintendent personnel/pupil services, in which he has played a significant role in relations between the school board and faculty.

He has also been a consultant to the California State Department of Education on school improvement programs, and has served as an accreditation team leader for the Western Association of Schools and Colleges in their accreditation processes. As a member of the executive board of region 14 of the Association of California School Administrators, and of the Tri-Cities Administrators Association, his experience and talents have been made available to a wide range of school personnel.

In addition to his work as an administrator in the Beverly Hills school system, Walt has given both time and energy on behalf of the entire Beverly Hills community through his active participation in the programs of the Beverly Hills YMCA, American Field Service, the education committee of the Beverly Hills Chamber of Commerce, and his role as president of the Beverly Hills Rotary Club.

Throughout his career, Walt Puffer's presence in the Beverly Hills School District has been a consistently positive influence, and has contributed significantly to the "lighthouse" position Beverly Hills schools occupy in the national public education picture. Walt is deserving of public recognition and highest commendations for his many contributions to local, State, and national education issues and for his dedicated service to the children of the Beverly Hills community.

Mr. Speaker, I ask my colleagues to join me in recognizing Walt Puffer for his many professional achievements, and in thanking him for his 35 years of service. He will be sorely missed.

## IN RECOGNITION OF CHERRY GROWERS, INC., TRAVERSE CITY, MI

### HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. SCHUETTE. Mr. Speaker, I rise today to honor Cherry Growers, Inc., for their 50 years of service to the grand Traverse community. The company was formed on May 15, 1939 by eighteen incorporators and subscribers. They have grown from their first year when almost 7 million pounds of cherries were processed and sold, to a thriving organization currently processing in excess of 100 million pounds of cherries, plums, and apples annually. Their sales area has increased from a small region of the United States to an international distribution network.

Cherry Growers, Inc., has also taken the lead in important technological developments. These include: A cherry grader patented in 1939, dried cherries, development of cherry sauce, and numerous other innovations.

Cherry Growers, Inc., have proven that they can be creative and aggressive in marketing. They are one of the original founders of Cherry Central Cooperative, Inc., and have participated with numerous industry trade groups, growing substantially in the business sector. As one of the area's largest employers, Cherry Growers, Inc., has remained an integral part of the community. Mr. Speaker, I rise to salute their 50 years of hard work and dedication, and wish them continued success in their efforts.

## PICKETT COUNTY LADY BOBCATS BRING A CHAMPIONSHIP HOME

### HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. GORDON. Mr. Speaker, there is a small high school in the part of the country usually known as the birthplace of Cordell Hull and as a land of beautiful hills, clear streams, and Dale Hollow Lake.

Pickett County, TN, is also know for its girls basketball team. On Saturday, March 11, 1989, we may have seen the rebirth of a dynasty. The Pickett County Lady Bobcats took the State girls high school class A championship, culminating a season that had many ups and downs before finishing with the ultimate "up."

The competitive spirit of these girls carried them through a State tournament where they were cast as decided underdogs. But, as one girl said later, they knew all season they could win the state championship.

The Lady Bobcats won four straight State titles from 1977 to 1980. The 1989 team was led by sophomores and freshmen, so this may be the start of another string of good fortune.

Scholastic athletics is meant to build character and self-respect, in addition to physical conditioning, in the students who participate. Sports also serve to bring a school and community together in pride and support for their team.

The Pickett County Lady Bobcats are a fine example of what high school sports is all about. They deserve special attention, and they have my hearty congratulations.

## SALUTE TO THE NEW JERSEY SCHOOL BOARDS ASSOCIATION ON ITS 75TH ANNIVERSARY

### HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. ROE. Mr. Speaker, we in New Jersey have always prided ourselves on assuring that the children of our great State be given the best educational opportunities possible, for as we all know, our children of today must have a solid educational foundation if they are to become our leaders of tomorrow.

With this in mind, it is with the greatest pride that I, as dean of the New Jersey congressional delegation, rise today to salute an organization that has been instrumental in helping to ensure a quality education for the children of New Jersey for almost a century. I am speaking of the New Jersey School Boards Association [NJSBA] which, in 1989, is marking its 75th anniversary. In honor of this important event, leaders in the field of education, as well as congressional, State and local officials will gather at the Princeton Marriott-Forrestal Village in Princeton, NJ on Saturday, April 8, 1989, to proudly take part in the New Jersey School Boards Association Diamond Jubilee celebration.

Mr. Speaker, I know this gala event will have special significance for Jeremiah F. Regan, president, and Octavius (Ted) Reid, executive director of the NJSBA, two men whose leadership and dedication to the betterment of education in New Jersey have helped make this outstanding organization what it is today. I know, too, that this event's success will be a great tribute to many people in the organization, including Joseph A. Zemaitis, NJSBA immediate past president and chairman of the Diamond Jubilee Planning Committee.

It was in April 1914 that the New Jersey State Legislature enacted a measure which stated that, "All boards of education of the various school districts of this State shall constitute a 'State Federation of District Boards of Education.' " It was this legislation which created the New Jersey School Boards Association, which today serves as the umbrella organization for all school boards in the State of New Jersey, providing a multitude of vital services which have led directly to the betterment of education for the children of New Jersey.

In recognition of the NJSBA's many outstanding accomplishments, the State of New Jersey recently issued the following proclamation:

Whereas, New Jersey is proud that the State has become a nationwide leader in public education; and

Whereas, by making meaningful contributions to our schools and our children's education, the dedicated members of local school boards have greatly enhanced our State; and

Whereas, the New Jersey School Boards Association has been in official existence for 75 years since the Legislature passed a bill authorizing the formation of the New Jersey State Federation of District Boards of Education; and

Whereas, during these past 75 years, the New Jersey School Boards Association has provided outstanding assistance and training to local school boards;

Now, therefore, in recognition of the contributions made by the New Jersey School Boards Association to the goal of education excellence, I, Thomas Kean, Governor of the State of New Jersey, do hereby proclaim April 8, 1989, as the 75th Anniversary Day of New Jersey School Boards Association in New Jersey."

Clearly, Mr. Speaker, the New Jersey School Boards Association has played a vital role in the education of New Jersey's children and, in doing so, has made not just the State of New Jersey, but our Nation and the world a better place to live. It is with great pride, then, that I invite you and our colleagues to join me in saluting a truly outstanding organization, the New Jersey School Boards Association on its 75th anniversary.

## THE GREATER MIAMI CHAMBER IS "BAD"

### HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. SMITH of Florida. Mr. Speaker, it is with great pleasure that I call to your attention the work of the Greater Miami Chamber of Commerce. Through the efforts of its Drug Free Workplace Committee chaired by Tom Van Etten, it has taken innovative steps to create a drug-free environment in the workplace through the formation of BAD [Business Against Drugs].

Business Against Drugs seeks to provide a compassionate, yet firm method of eliminating alcohol and drug abuse. The program will educate employees about the negative effects of drugs in the workplace. Should an employee display signs of a possible problem, he or she will be asked to consent to a drug test on a confidential basis. If a problem is identified, the individual will be provided with a comprehensive employee assistance program which is covered by most company health plans.

The initiators of the program hope that by eliminating drugs in the workplace, they will also be contributing to the elimination of drug and alcohol abuse in all spheres of society. Realistically, however, they recognize that employers possess the most powerful tool for curbing substance abuse—the possible loss of a job. Corporations recognize that it is in their best interests to support the program because substance abusers are liabilities in the work place. They are more likely to be absent, they create a hazardous environment for themselves and others, and they are generally less productive than other employees.

The main objective of this program is to obtain as much community support as possible, thereby sending a clear message to drug and alcohol abusers that their habits will not be tolerated in the workplace. Thus far, 55 corporations have endorsed the program. These corporations include: The Burger King Corp., Burdines, the University of Miami, SunBank, and Barnett Bank. The employees of these 55 corporations represent 16 percent of Dade County's labor force.

I salute the Greater Miami Chamber of Commerce's dedication to the eradication of substance abuse, and I hope that their efforts will be used as an example throughout the country. It is through these kinds of innovative programs that provide both education and treatment that our Nation will become drug free.

## NATIONAL CAMPAIGN FOR THE CIVIL AND HUMAN RIGHTS OF SALVADORANS

### HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. ACKERMAN. Mr. Speaker, I raise my voice today to remind my colleagues of the ongoing civil war in El Salvador and the problems of the Salvadoran refugees in our country. A few weeks ago I visited the Capitol Hill Presbyterian Church, where several Salvadorans and Americans were fasting for peace. Their goals are simple: All they're asking for is fair treatment of Salvadoran refugees in the United States. With this fasting, the National Campaign for the Civil and Human Rights of Salvadorans wants to remind us of Archbishop Oscar Romero's plea 9 years ago to stop

United States military aid to El Salvador. He warned that military aid will not help his country to find a peaceful and just solution for its civil war, and events have proven him correct.

Rightist extremists killed Archbishop Romero some weeks after that prescient statement, but his voice of humanity is still heard in El Salvador and throughout the world. Now more than ever we must remember his warnings. More than 70,000 Salvadorans were killed in the civil war during the last 9 years, several thousand have disappeared, and hundreds of thousands of Salvadorans left their country in search of a safe haven from political violence. But the U.S. Government deports more and more of them back to their war-torn homeland.

Mr. Speaker, I call on my colleagues to join me in demanding a change of United States policy toward El Salvador and toward the Salvadoran refugees. Particularly now, as negotiations between the FMLN rebels and the Government of El Salvador seem to be tottering once more on the brink of failure, the United States must make clear that we still support a negotiated and peaceful solution of the civil war. Foreign aid to the fighting parties should be targeted to supporting the economy of this country, and not toward perpetuating the bloody civil war.

This is particularly true in wake of the Presidential elections in El Salvador. We must make absolutely clear to President-elect Alfredo Cristiani that he can count on further U.S. aid only if he seriously works for peace.

We also have to be more generous in our policy toward refugees from El Salvador. We must grant them temporary safe haven until the peace process allows them to go home without fear of violence and civil strife. For this reason, I strongly support the compassionate legislation, H.R. 45, introduced by Representative JOE MOAKLEY. I call on my colleagues to join me in cosponsoring this measure.

Mr. Speaker, on the issue of our future policy toward El Salvador, I would like to submit to the RECORD the following editorial which appeared in the New York Times on March 21.

[From the New York Times, Mar. 21, 1989]

NO BLANK CHECK FOR EL SALVADOR

El Salvador's Arena party wants Washington to believe that its presidential candidate, Alfredo Cristiani, the declared winner of Sunday's election, leads a newly moderate cause. That warrants skepticism; the party was founded by former Maj. Roberto D'Aubuisson, long linked to notorious death squads. But there's no need for the United States to speculate. The character of a Cristiani government will be clear soon enough. If political savagery unfolds, the United States will almost certainly cut aid.

Mr. Cristiani, who has won a majority victory over the incumbent Christian Democrats and leftist challengers, knows that. He wrote last week on the Op-Ed page that "We are pledged to continue and improve on the efforts of the Duarte administration to respect human rights. We intend to find and punish offenders. . . . we will work hard with the military and security officers coming up through the ranks to end human rights violations."

"He thus set the standard by which he will be judged in taking the presidential sash in June from the ailing José Napoleón Duarte.

Mr. Cristiani has been at pains to present Arena as a mainstream conservative allicance. He says the true extremists in El Salvador are Marxist guerrillas who terrorize the countryside and did their best to disrupt an election in which 33 were killed, including three journalists.

Before Mr. Duarte's election in 1984, El Salvador was less a country than a mortuary, with an official count of 7,000 killings and disappearances a year. In those days, "Major Bob" D'Aubuisson brought supporters screaming to their feet by slashing watermelons with a machete while likening the fruit to Christian Democrats—green outside, red inside.

Mr. Cristiani wants North Americans to believe that's all in the past. He also insists that Arena no longer recoils from land reform by equating it with Communism, and won't roll back land redistribution. He now says Arena favors direct talks with Salvadoran guerrillas on ending the eight-year civil war that has taken 70,000 lives.

The United States had done little to foster peace talks but a great deal to buttress the Salvadoran Government. U.S. aid currently exceeds El Salvador's national budget. Yet peace remains a faraway dream and the democratic center is no stronger than it was eight years and $3.5 billion ago. The task for Washington is to do what it can to encourage an end to bloodshed and to achieve a binding electoral settlement, a formula that all sides now say they accept.

Vice President Quayle, during a recent visit warned that a renewal of mass killings could mean the end of U.S. aid. The message could be stronger still: No strategic interest in El Salvador is sufficient to justify underwriting death squads.

## COLLEGE ASSISTANCE MIGRANT PROGRAM

### HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. FORD of Michigan. Mr. Speaker, I have championed the College Assistance Migrant Program since its inception in 1972. Migrant youth who are fortunate enough to be accepted into one of the five federally funded CAMP programs succeed in college at a rate well above the national average. Many go on to law school, medical school, or some other graduate school discipline. This is no small feat, considering that the parents of these students generally have not completed high school, and the families must move constantly to earn a meager living by following the harvest cycles.

I have a particular interest in the CAMP program at St. Edward's University, since that university's CAMP program was one of the first ever funded. It has a long history of excellence and one of perseverance during difficult times.

I would like to reprint in the CONGRESSIONAL RECORD a portrait of Solomon Torres which appeared in the St. Edward's University newspaper. Mr. Torres is a CAMP student, and he exemplifies the reason for supporting this small but extraordinary program.

SOLOMON TORRES: HOW FAR IS LA FERIA FROM SUCCESS?

(By Dr. Richard B. Hughes)

The 1987 St. Edward's graduation cermony was filled with both mystery and joy for Magdaleno and María de Jesús Torres. English, always a mystery, was made somewhat less so by the whispered translations of friends. But it was the world of the university that was incomprehensible to these sixtyish Mexican-Americans who were born and brought up in rural Mexico, who now live outside La Feria, 20 minutes north of the Rio Grande, and whose yearly income is largely earned as part of an Hispanic caravan which moves each May from the Texas border to the canneries of Wisconsin—and back again in October. The "summa cum laude" in the program after their son's name meant nothing. There was, however, one thing they did understand—the loud and sustained applause when President Hayes named Solomón Torres Man of the Year.

Salomón Torres Hurtado (the correct Spanish spelling) is the youngest of eight children, much admired but something of an enigma to the large Torres clan. Three brothers and three sisters live in or near the family home in La Feria. Another brother is in the Air Force. Only Solomón went away to college. Only Solomón would use his summer vacation to attend a special program for minorities at the Lyndon B. Johnson School of Public Affairs at the University of Texas at Austin, as he did in 1986, or at Harvard, as he did the summer of 1988. Only Solomón would carefully plot his immediate future to include a double master's degree at the LBJ School and the Institute of Latin American Studies (having chosen Texas over Columbia University in New York and the University of California at Berkeley) with a law degree in the future. Only Solomón wants to travel all over the world and meet important people and learn and learn and learn.

Señora Torres says to Baby (in Spanish, of course), "You could come back to the Valley and get a job." "Yes, I could," says Solomón, "but I have other goals," His brothers and sisters say, "Do it, Solomón. When we were your age, we had to support the family." Solomón has opportunities his siblings didn't have, but he has something more—an extraordinary sense of purpose built upon strong self-confidence. "I have been a very self-confident person since the first grade," he told me. And, "I've always intended to go to college." Such words do not seem to belong to one small in stature and without any striking charisma in voice or bearing. In my U.S. history survey taken in his freshman year, Solomón was lost in a sea of faces until the faces began to answer questions. He knew the answers from the first, and at the end of the semester, he had moved, as many of his classmates had not, from information to social analysis.

Is Solomón paying a price for his intensity? He pursues self-improvement like a New England Puritan; he seeks success like a hero in one of Horatio Alger's novels; he works as if brought up on the Calvinist work ethic (causing me, not for the first time, to notice how that ethic can spring up in the most unlikely places). He worries that those with whom he must work and compete come from homes with wealth and computers and connections, that they studied in prep schools while his education in public schools was limited by the rhythms to migratory labor, causing him to enter

school in October and leave in mid-May. To this, we friends answer, "Lighten up; do a few things just for fun; remember that we'll cherish you if you don't reach the moon."

St. Ed's was the right college for Solomón, Dr. Jan Randle recently told me. We agreed that he would have done well at a large university, but St. Edward's gave him a chance from the beginning to become a leader. It gave him a chance to preside at meetings, serve as a dorm rector, and polish his written English on the newspaper and the literary magazine. It loudly proclaimed him a success as he, gaining a 3.76 average and winning the Man of the Year award, measured himself against a heterogenic community of some 2,000 students. Perhaps most important, it gave him relationships with faculty and staff from the Anglo and Hispanic middle classes who had succeeded in the worlds he wished to conquer.

CAMP was also important. The College Assistance Migrant Program recruited Solomón and paid for room, board, tuition and books the first year, while helping him acquire financial aid for the remaining three years. It also placed him in the supportive CAMP community, not so much for the academic tutoring essential to most, but to allow a shy young man to bring his social skills to the level of his intellectual ones.

Mexican-Americans have attended St. Edward's throughout the school's history. However, until the early 1970s, most had enough middle class money to get through a private college and enough middle class savvy to get along in an Anglo world. Their families had typically given them books, records and travel. They had been leaders in high school. They knew English well. Some came from prominent families. It was not these Hispanics who worried Michael Harrington, Edward R. Murrow and other spokesmen for the poor in the 1950s and 1960s, including President Lyndon Johnson, who declared a War on Poverty. One area they all targeted was the Rio Grande Valley of Texas, where thousands of migrant families needed help to get off the treadmill of poverty and have their chances at the American Dream.

CAMP came to St. Edward's in 1972. It was spawned from ideas from the 1960s when the nation believed federal money could be efficiently used to lift the poor. It is one of the few federal programs that has survived the axes of the 1980s budget-cutters, although only by adding state and private money.

What has the St. Edward's branch of CAMP done? It has recruited some 1,500 sons and daughters of Hispanic, Black, Asian and Anglo migrants, giving them financial academic and psychological support. An astonishing 90 percent have finished the first year and an equally astonishing 58 percent have earned a bachelor's degree.

Less striking that the college careers of some of the success stories but important to the CAMP mission are those who for the first time in their lives saw a dentist or corrected their sight with glasses or gave a thought to white collar employment. I find it requires a special effort for those of us destined for college at birth to stand in the shoes of those still a little dazed that their shoes are not in the fields.

Except in dark moments, Solomón thinks he has the ability and education to compete with those who have prep schools, Ivy League colleges and important friends in their backgrounds. I see in Solomón a psychology not unlike my father's. Born in a dugout, Dad started a family and a business with high hopes in the last years of the prosperous '20s. Then the Great Depression almost destroyed his business, his hope and his health. After World War II, he reached almost Algerian success, but until he died his sleep was interrupted every so often by sweaty nightmares that poverty had returned and he couldn't feed his family. John Kenneth Gailbraith called the agonies of that generation a "depression psychosis." They could never truly trust prosperity. Neither can Solomón and probably others like him who may suffer from a "migrant psychosis," the fear that the fate which delivered them from the fields and the canneries is too recent and too probelematic to trust. If Solomón, like my Dad, must live with anxious nights, he will, also like my Dad, work with greater resolve, purpose and moral force than a frat house full of preppies.

There are ironies here. Solomón Torres should be disposed by ethnic background to siesta/mañana values. Yet I've found myself speaking to him as an internist addresses a yuppie with a Harvard MBA. "Relax. Enjoy. Do it mañana."

## TAX TREATMENT OF LOAN LOSS RESERVES IN THE FARM CREDIT SYSTEM

### HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. DORGAN of North Dakota. Mr. Speaker, the Farm Credit System and the farmers and farmer-owned cooperatives it serves are struggling to survive a distressed agricultural environment. Today, I and Mr. STALLINGS are introducing legislation to address a tax problem that must be remedied.

In the midst of these severe problems in agriculture, the Tax Reform Act of 1986 has added some $85 million in additional taxes to the burden directly faced by the farm credit system and its borrowers.

The tax law repealed the reserve method of calculating loan losses for the system's production credit associations [PCA's] and banks for cooperatives [BC's]. However, the system's competitors were allowed to retain the reserve method in certain cases.

Even though spread over 4 years, the $85 million new tax burden forces the system to absorb further losses which must be passed along as extra costs to borrowers, many of whom are in no position to pay additional charges. An increased tax burden makes it all the more difficult for the PCA's and the BC's to charge competitive interest rates.

However, the most critical issue is the impact of the new tax on the ability of the farm credit system to survive. The money that must now be allocated for new tax payments could be better used to help the system make it through difficult times and relieve the interest rate burden of financially stressed farmers and their cooperatives.

In addition, the tax penalty discourages the building of loan loss reserves at the very time they are most critically needed.

Until passage of the Tax Reform Act of 1986, PCA's were able to deduct loan loss reserves required by the Farm Credit Act. Amendments to the Farm Credit Act that were adopted in 1985 have the effect for some PCA's of increasing the amount of required loan loss reserves. The tax law forces PCA's to put taxable income into loan reserves and to wait until actual losses occur to deduct the losses. In addition, PCA's must pay new taxes over a 4-year period on reserves that existed prior to 1987.

Formerly, the BC's computed their deductible additions to load loss reserves based upon loss experience and an analysis of the risk inherent in their year-end loan portfolios. Now, like the PCA's the BC's must pay taxes on loan loss reserves that existed prior to 1987.

Mr. Speaker, as we in American agriculture continue to grapple with tough issues such as trade, farm income, and drought, let's take positive action to amend the Tax Code—let's do something for the 650,000 farm-borrowers of the farm credit system.

The bill I am introducing today simply restores the reserve method of calculating loan loss reserves for BC's and PCA's. I ask that my colleagues join me in cosponsoring this legislation to bring about the equitable tax treatment of BC's and PCA's within the farm credit system.

## ROGER DIAMOND SPARKLES AS 1988 CITIZEN

### HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. LEVINE of California. Mr. Speaker, I rise today to congratulate Roger Diamond on being named Pacific Palisades Citizen of the Year by the Pacific Palisadian Post for his work in preventing oil drilling along the California coastline. Because of his work as president of No Oil, an organization which he founded, Roger is a modern-day hero to those of us who have fought for many years to preserve the natural splendor of our beloved shores.

Roger Diamond has been active and involved in the battle against drilling for 20 years. As the original president of No Oil he helped build one of the most effective grassroots organizations in the State. Although he moved on to other challenges, he was pressed back into service last year to fight against the most recent threat to the coast. Under his leadership the campaign to protect our precious beaches was successful.

In return for his unrelenting efforts on behalf of the city, Roger will be presented with his award at the annual citizen of the year dinner on May 18 at the Riviera Country Club. The citizen of year award is the highest award presented to a member of the Pacific Palisades community and is awarded on the basis of his/her work and accomplishments in a given calendar year. Nominations are welcome from the community at large, and while the number of nominations one person receives has no bearing on the final award, the tremendous number of letters submitted on Roger's behalf indicates his community's appreciation for his work.

Roger's wonderful wife Fran and their two marvelous daughters, Laura and Marney, are remarkably talented and warm, and have always been his greatest assets.

I ask my colleagues to join with me in honoring Roger Diamond for his contributions to his community and request that the entire article from the Palisadian Post be printed at the conclusion of my remarks:

[From the Pacific Palisadian Post, Mar. 9, 1989]

ROGER DIAMOND SPARKLES AS 1988 CITIZEN

Roger Diamond, the feisty attorney and environmental activist, has been selected Pacific Palisades Citizen of the Year for 1988. He will be feted, along with the Community Council's Golden Sparkplug awardees, at the annual Citizen of the Year dinner, to be held at the Riviera Country Club on Thursday, May 18.

Diamond is noted for the energetic zeal with which he pursues his goals. And one of his longterm goals has been the elimination of Occidental Petroleum's plan to drill for oil across from the beach in Pacific Palisades.

A founder of No Oil, Inc., Diamond was instrumental in drafting the landmark city initiative ordinance, Proposition O, passed by voters last November. Prop O forbids oil drilling along the coastline of the City of Los Angeles and specifically revokes Oxy's 1985 city drilling permits.

In 1988, as the election drew near, Diamond assumed the presidency of No Oil, Inc. He played a major role in the passage of Prop O, and in the defeat of Proposition P, the counter-initiative sponsored by Oxy that would have reaffirmed the drilling plan.

With Prop O, the 20-year fight of many local residents against the oil giant was taken citywide. Despite Oxy's sinking more than $6.1 million into its anti-O and pro-P campaign, Diamond and the other members of No Oil waged a successful grassroots campaign—their war chest was $2.4 million—and the winner was the environment of Pacific Palisades.

Diamond not only served as a spokesman and tallying point for this monumental electoral struggle, but also worked the phones, stumping for the cause. Letters written to nominate him for Citizen of the Year attest to his signal contribution.

"If being the local hero qualifies one for Citizen of the Year, then Roger Diamond is the clear choice. He should be carried on our shoulders through the streets of Pacific Palisades," writes one supporter. "In the midst of an incredibly busy law practice, he again took the reins of No Oil and kickstarted it from a moribund unfocused group of dedicated people into a powerful organization."

Another writes: "Roger Diamond epitomizes a modern-day David in the fight against Goliath. For 20 years Roger has mobilized the community to be alert and aware of the multi-million dollar, international oil company. No Oil had only a fraction of the budget of Occidental in the campaign, but with Roger, with his wife Francine at his side, spearheading the effort, our beaches and our precious land and the environment won a stunning victory, Roger is ever-vigilant and has contributed enormously to our community at large."

He is described by others as "uniquely brilliant and dedicated . . . an inspiration for children . . . a tireless worker with great humor and leadership. Without seeking glory for himself, he gave unselfishly of his time and talent."

Finally, this writer sums it up: "There is no other individual in this community who has had the profound effect he has. Is there anyone who has done more to maintain our quality of life?"

The selection of Citizen of the Year is sponsored by the Palisadian-Post.

## HONORING WALT RUPPRECHT

### HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. SCHUETTE. Mr. Speaker, I rise today to honor Walt Rupprecht, a life-long resident of Midland County, and a truly outstanding member of the community. Walt has just concluded 8 years of service and very hard work as Midland County's Republican chairman. His contributions to the community, however, go far beyond his talents in the political arena.

Walt has served with various organizations and his tireless efforts have clearly benefited the residents of Midland County. He has served with the Jaycees for several years, including 1 year as their president. As a member of the Kiwanis Club, Walt helped coordinate a local camp, Camp Neyati, which proved to be very popular to area youngsters.

Walt has also served the community through his active involvement with the Midland Board of Education. He served on this board for 8 years, part of this time as its president, and he participated in numerous school committees.

Walt received his bachelor of science in chemistry from the University of Michigan. He now works as a senior associate development scientist for Dow Chemical Co.

Mr. Speaker, individuals like Walt Rupprecht are the glue that binds our communities together. Midland county residents owe Walt our gratitude for his continued hard work and dedication to the community.

## CHAMPIONS COME FROM CANNON COUNTY

### HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. GORDON. Mr. Speaker, I would like to take a few minutes today to talk about the courage, skill, and determination that was exhibited on March 11, 1989, by the girls' basketball team of Cannon County High School in middle Tennessee.

The Lionettes that night took the State Double-A Championship despite facing a team that started five seniors and had a big height advantage. The Cannon County players could have had a letdown after winning a difficult semifinal game by only two points, but these young women had too much character for that.

These student athletes showed both desire and heart. They received a great deal of enthusiastic support from the Cannon County High School student body and from fans in the Woodbury community.

The purpose of high school athletics is to build a sense of teamwork and self-esteem, as well as physical conditioning, in the participants. Athletics also bring a school and community together in a common cause—support for their team. They enrich the lives of everyone involved.

The Cannon County Lionettes are a source of pride for me and for the people of my congressional district. Congratulations to them, and the best of luck in the future.

## SALUTE TO SUPERINTENDENT RICHARD L. RIKER ON 30 YEARS OF OUTSTANDING SERVICE TO THE NEW JERSEY STATE PARK SYSTEM

### HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. ROE. Mr. Speaker, it is with the greatest admiration that I rise today to salute a truly outstanding public servant in New Jersey who, for the past three decades, has selflessly dedicated himself to the protection and preservation of New Jersey's bountiful State parks.

I am speaking of Richard L. Riker, superintendent of Island Beach State Park in my home State of New Jersey, who is retiring this year after more than 30 years of serving in a wide range of important positions with the New Jersey State Park Service. For his invaluable contribution in helping to protect and maintain what is perhaps New Jersey's greatest natural resource, Dick Ricker will be honored with a dinner on Saturday, April 1, 1989, at the American Hotel in Freehold, NJ.

Mr. Speaker, I know that this will be an especially proud occasion for Dick Riker and for the many friends and colleagues who are expected to turn out in force to honor him. It will also be a special evening for his large and loving family; his wife, Jeanne Bailey; his seven stepsons, Richard V. Bailey, Thomas V. Bailey, Dennis K. Bailey, Michael D. Bailey, Charles N. Bailey, Patrick W. Bailey, and Jeffrey R. Bailey; his 12 grandchildren, Scott, Marla Sue, Patience, Ashley, Kaleagh, Jeffrey, Tammie, Megan, Kimberly, Shannon, Bryan, and Eric, and his brother, Bruce Riker.

Richard L. Riker was born in Boston and grew up in Nyack, NY. He served his country in the Army Air Force and eventually graduated Missouri Valley College before coming to New Jersey in 1950 as an employee of the U.S. Gypson Co. He began his career with the State Park Service in 1958, becoming a ranger at High Point State Park, which is one of the most beautiful State parks anywhere. He remained at High Point until 1962, when Dick Riker was promoted, becoming the first superintendent of Sandy Hook State Park—one of the most popular shore areas in New Jersey—opening it in 1962.

Mr. Speaker, Richard L. Riker was appointed superintendent at Ringwood Manor State Park, a major New Jersey landmark, in 1969 and enjoyed a 15-year tenure there before

going to Island Beach State Park 5 years ago. Those who know and have worked with Dick Riker know that each stop along his career path in the New Jersey State Park System is far better off for his dedicated efforts.

While he was stationed at Ringwood Manor State Park, Dick and his wife, Jeanne, also helped make their community a better place to live by becoming involved in a number of local organizations, including the Friends of Ringwood Manor, the North Jersey Highlands Historical Society, the Ringwood Manor Arts Association, the Skylands Association, the Long Pond Iron Works Association and the Ringwood Advisory Board. And I know that even though Dick is retiring, he intends to remain an active member of the Batsto Citizens Committee.

Mr. Speaker, it is with great pride, then, that I invite you and our colleague to join me in saluting a man who has truly made a difference in his community, his State and our Nation by working to protect and preserve those natural resources which are vital to us all, New Jersey State Park Service Superintendent, Richard L. Riker.

## METUCHEN YOUTH IS NEW JERSEY STATE WINNER IN VFW VOICE OF DEMOCRACY CONTEST

### HON. BERNARD J. DWYER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. DWYER of New Jersey. Mr. Speaker, each year the Veterans of Foreign Wars of the United States and its ladies auxiliary conduct the Voice of Democracy Broadcast Scriptwriting Contest.

This year more than 250,000 secondary school students participated in the contest, writing on the theme of "Preparing For America's Future." I am very proud to announce that the State winner from New Jersey is a young student from my congressional district, Miss Cristiana Santo Pietro from Metuchen. Her essay focuses on a subject with which are all deeply concerned and I am happy to commend it to my colleagues for their review:

PREPARING FOR AMERICA'S FUTURE

There was a baby born yesterday, named Amber. Her mother is seventeen, she will live in the inner city, and she will never know her father. A baby was born this morning: Her name is Erica. She was born to immigrant parents who are struggling to get by. A child is being born right now. He will be called William. His father is a blue collar day worker in construction, and his mother is a housewife. He has three sisters. And tomorrow a little girl named Tiffany will be born. Her father is an executive at AT&T, and her mother is on a leave of absence from her high-paying job at Drexel Burnam.

What do these four very different children have in common? They are all American, and they will always be American. These children are four of the millions of children who will be America's future. In order to prepare for America's future, we must use our assets. We must utilize our youth—Amber, Erica, Billy, and Tiffany. We must provide great opportunities for each of them.

Amber's education must not be second rate because she will grow up in a ghetto. She must be allowed to grow mentally and physically into what she has the potential of becoming. Just as every child must be given the chance to have a fine education.

Erica's potential career must not be taken away because of her race or culture. She must be allowed to work for America just as all others must.

Billy must not have his dreams swiped from him just because his parents cannot afford them. He deserves adequate medical insurance so that he won't be afraid to play football with his friends, and he deserves the chance to get a college education without his parents having to worry about being able to afford the groceries from week to week.

And Tiffany must not be left to boredom and drugs, just because people assume that money buys everything. She must be encouraged to work just as hard as Amber, Erica, and Billy to make her dreams come true.

It is these four children and many others that must carry the burden of America's future. And they must not be penalized for their parents' economic, educational or social status. So, in order to prepare for America's future, we must prepare for these children, Amber's education, Erica's career, Billy's health, and Tiffany's hope. They must all be given grand opportunities, and an equal chance to achieve their dreams. And we ourselves must hope that Amber, Erica, Bill, and Tiffany will come together and become America the Beautiful!

## THE INFANT MORTALITY PREVENTION ACT

### HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mrs. KENNELLY. Mr. Speaker, in 1985, three decades of progress in bringing down the U.S. infant mortality rate came to a halt. Our infant mortality rate has now climbed to the highest of 21 industrialized countries. In some of our neighborhoods, the infant mortality rate is higher than that in many developing countries, including Cuba and Costa Rica.

Currently, more than 10 babies die per 1,000 live births. Many more babies who do not die face life with serious mental or physical handicaps. The primary reason for this intolerably high mortality rate is the large number of low birthweight babies who are born. The lower the birthweight, the higher the risk for death or disability. Indeed, low birthweight infants are twice as likely to suffer one or more handicaps, such as mental retardation, deafness, blindness, physical limitations, learning disabilities, delayed speech, autism, cerebral palsy, epilepsy, or chronic lung problems.

Perhaps the most distressing part of this story is that many—indeed most—of these deaths and disabilities can be prevented. High risk cases can be identified in the early stages of pregnancy and treated, usually successfully. Indeed, lack of technology is the least of our problems. Instead, low birthweight is most often associated with poor maternal health and lack of adequate prenatal care. Low birthweight babies are more prevalent among poor, less educated, single parent and minority mothers.

These mothers could be helped if they were to receive adequate prenatal care. However, a variety of barriers exist which prevent access to care. In some cases, appropriate and comprehensive services are simply not available, or are available on a limited basis. More usual is low utilization of existing services either because women lack the financial resources to utilize the services, or lack transportation to reach the services. For some women, lack of education regarding the importance of prenatal care is a factor affecting utilization.

Ironically, we pay dearly for the dollars we refuse to spend for up-front preventive care. Numerous studies have shown that the provision of prenatal care is one of the most cost-effective health services that can be provided. Estimates of cost savings range from $3.60 in savings for every $1 spent on prenatal care, to as high as $20 in savings per dollar. The average cost of providing high quality prenatal care is approximately $600 per pregnancy. The cost of caring for an infant in a neonatal intensive care unit is between $20,000 and $100,000 and the need for care does not end when the baby leaves the hospital. Often, this care is paid for through the Medicaid Program. The Federal Government is spending $638 million under Medicaid to pay for neonatal intensive care and rehospitalization of low birthweight infants during the first year of life. This figure could be reduced to only $90 million if comprehensive prenatal care were available to all low income women.

Proposed changes to the Medicaid delivery system are important in addressing the problem of infant mortality. Medicaid alone is not enough, however. For one thing, Medicaid cannot finance care in areas where providers are unavailable or unwilling to serve Medicaid clients. Second, Medicaid cannot provide services such as outreach, education, and transportation, all of which have been shown to be major barriers to women obtaining adequate prenatal care.

It is for these reasons that I am introducing the Infant Mortality Prevention Act, legislation which would add $100 million in supplemental funds to the Title V Maternal and Child Health Block Grant Program. Maternal and child health block grants provide care in areas that are underserved, and offer services such as education for women who do not understand that they should seek prenatal care early in their pregnancies, and outreach and transportation to bring these women into the health care system.

This bill currently has 28 cosponsors, and I urge the rest of my colleagues to join us in this effort to attack the unacceptably high death rate for the newborn children of our Nation.

## FRANKLIN HIGH A CHAMPIONSHIP SCHOOL

### HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. GORDON. Mr. Speaker, I would like today to recognize the great accomplishment achieved last Saturday, March 20, by a fine group of young men representing a great high school.

The Franklin High School boys basketball team that evening won the first State championship in the school's history. Two years ago, the team set the goal of a State championship, and it realized that goal with a topnotch performance.

The players showed grit and determination, holding off a comeback by a taller, talented opponent in the final game, which was decided by just one point.

High school athletics at their finest not only build physical conditioning in the student athletes, they also build strength of character, teamwork, and a heightened sense of responsibility.

Successful teams bring the entire school and community together in a common cause, imparting good memories and a sense of pride that will last a lifetime.

I congratulate the Franklin High Rebels and everyone involved with Franklin High, and wish them the best of luck in the future. They have made us all proud.

## RECYCLING

### HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. SMITH of Florida. Mr. Speaker, the problem of solid waste disposal is fast approaching crisis proportions. Our Nation is generating solid waste at a rate which exceeds the capacity of existing landfills to absorb. As a result, solid waste reduction alternatives, such as recycling, are becoming increasingly important.

In light of these facts, I will again cosponsor three bills which, if passed, would increase the use of recycling as an alternative means of disposal. National Recycling Month would serve to educate the public about the effectiveness of recycling policies. The Recycling Clearinghouse Information Act would establish an Office of Solid Waste Clearinghouse in the Environmental Protection Agency to centralize recycling information at the national level. Finally, the Recyclable Materials Science and Technology Development Act would promote a comprehensive Federal research and development effort to increase recycling.

The State of Florida has recognized the drastic need for alternative means of solid waste disposal. Last year, the Florida Legislature passed legislation which requires counties to reduce their reliability on landfills by 30 percent as of 1994. Included in this initiative is the requirement to recycle at least 51 percent of all newspaper, aluminum, glass, and plastic waste.

In my district, in Broward County, we have already begun to take the lead on the issue of recycling. Broward County has initiated a $200,000 recycling experiment in which containers for separating newspapers, aluminum, and clear glass have been provided to neighborhoods to facilitate and encourage recycling.

I commend the recycling initiatives of the State of Florida. In addition, I commend Congressmen HAWKINS, WELDON, and HOCHBRUECKNER for demonstrating their leadership on the recycling issue by reintroducing these important bills.

I urge my colleagues to help pave the way to a cleaner nation by supporting recycling legislation and encouraging recycling initiatives on a Federal, State, and local level.

## SOME THOUGHTS OF A CONSTITUENT ON THE CATASTROPHIC BILL

### HON. CHALMERS P. WYLIE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. WYLIE. Mr. Speaker, recently I received a very thoughtful letter from my constituent, Gladys Clark, regarding the financing of the Medicare Catastrophic Coverage Act. I was so impressed with Mrs. Clark's comments that I would like to enter her letter into the CONGRESSIONAL RECORD.

STATEMENT OF GLADYS C. CLARK

I hope that the hands that mark your mail for your viewing will see my letter as one worth your attention as it speaks to the catastrophe of the Catastrophic Tax.

I am the daughter of a Louisiana sharecropper, whose parents, through perseverance and love of family, worked to eventually buy a small farm of their own. They were able to educate their children through high school and using academic scholarships, part time jobs, plus each one pulling the next one up we somehow got through college. My heritage speaks of self-reliance and family responsibility.

After marriage, I worked all years through retirement and it wasn't always easy to make the sacrifices it took from all of us. Many of my then friends chose an easier route and now I find myself having to provide for them through the Catastrophic tax. I'm programmed to help where there is a future. For instance, I'm trying to keep my granddaughter who is at Northwestern on scholarships, borrowed money and cafeteria work, barely able to make ends meet but still maintaining a 3.5 average. That's a worthy cause. My sons are struggling to buy first homes and their needs are what I want to help with.

I'm now sixty-five years old and my teaching pension covers all that the Catastrophic would cover so I don't need nor want this extra burden. Through the forty-two years of teaching, my salaries were not very good except for health insurance upon retirement, and promise of security. I have no insurance that can be cancelled and replaced with the Catastrophic. One thing to consider is an option for people like me. I'd gladly trade off the Catastrophic insurance for nursing home insurance and would gladly pay for that. That would be fair. Why not a choice?

Yes, it's easy to find polls that indicate that older folks favor this bill. Why? Because most will pay very little or nothing at all. It's a bargain for many, at the expense of a few. As for the AARP and its support, have you considered just what their motivation is for supporting this? This is not a non-profit organization!

I understand that you are interested in reviewing this bill and I appreciate that. It seems to me that the taxpayer knew nothing of the financing of the Catastrophic bill and it was passed with no opportunity to understand its ramifications. I'm not sure Congress nor the President understands the unfairness of it all, nor the potential for monstrous growth it may entail as it becomes reality.

Representative Wylie, just as my uneducated sharecropper father voted staunchly against Huey Long's Non-American plan of redistribution of money to keep himself in power, I, too, object to Congress doing the same thing to me.

I would appreciate a little note telling me that you have read my letter. I hope I am not a fool for thinking that this letter may matter. In this day of cynicism, I haven't given up on people I believe in—you, Sir are one.

## AMERICAN WATERWAYS OPERATORS' JOSEPH FARRELL RUNS A TIGHT SHIP

### HON. WALTER B. JONES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. JONES of North Carolina. Mr. Speaker, we on the House Merchant Marine and Fisheries Committee have the opportunity to deal with numerous trade organizations and associations. Over the years, we have had many occasions worked with the American Waterways Operators and its able president, Joseph Farrell. Recently, the Washington Business Journal magazine published a profile of Joe Farrell. I wish to share that article with the House.

AMERICAN WATERWAYS OPERATORS' JOSEPH FARRELL RUNS A TIGHT SHIP

At a time when many associations are turning to outside management specialists to take charge of their business concerns, American Waterways Operators' president Joseph Farrell is running his organization much like a chief executive officer runs a Fortune 500 company. Association executives often lose sight of the fact that they are, indeed, *in business,* but Farrell runs his ship with the bottom-line always in mind.

More to his credit, Farrell, 59, came aboard American Waterways at a time when the assocation was virtually sinking and has since been able to turn it around.

When Farrell took the job at American Waterways in early 1983, he did so because he believed it offered an exciting challenge, but he didn't realize the scope of the problems that lay before him.

The trouble had begun in 1982. A combination of factors—the ongoing effects of the Carter administration's grain embargo which began in 1980, aftershocks from the energy crisis, tax incentives that encouraged too many investors to buy barges—created an oversupply of ships and a shortage of cargoes. Barge and towing companies were

collapsing, with mergers and industry consolidation the resulting trend. The upshot was a sharp departure of members from the American Waterways Operators, the national trade association of the inland and coastal barge and towing industry.

While the economic troubles of the member companies were the main causes of defections, dissatisfaction with American Waterways, itself, didn't help. The association had spent years in an unsuccessful campaign to block the enactment of Locks and Dams 26, a bill which would levy a tax on inland vessels which use the Mississippi. American Waterways' focus on this issue, however, alienated its unaffected Atlantic coast members, and its failure put off those who operated on the inland rivers.

Although he had never been involved with a Washington trade association, Farrell had the experience and credentials to rebuild the foundering organization. As a former Navy officer and submarine chief engineer, he was familiar with maritime issues. He had worked for Sen. Charles Percy, R-Ill., and knew Capitol Hill. When American Waterways' board of directors first approached him, he was a senior vice president for international business and strategic planning at Pullman Power Products of Pennsylvania, a position that acquainted him with the thinking and operations of the private sector.

Trade associations too often bring in some retired general "with a well-known name" to head the organization, points out William P. Morelli, American Waterways board member and associate general counsel and director of government affairs at Midland Enterprises, a Cincinnati-based barge company. American Watwerways, instead, looked for someone who "Had a good feel for the ins and outs of the political process and who also could be a strong manager."

Shortly before Farrell joined American Waterways, five top staffers had been dismissed. Working with the board of directors, Farrell proceeded to lay off about 10 more people in an effort to cut expenses fast and hard. He closed a regional office in St. Louis and reduced the number of personnel in New York, cutting the total staff from more than 30 to about 22. In addition, Farrell fired an outside public relations firm which had cost the association $250,000 the previous year. Public relations and legal divisions were moved in-house, where they remain today.

American Waterways is unusual among trade associations in doing its own public relations and legal work. "American Waterways was just one account among about 50," says Berdon Lawrence about their former public relations agency. They "didn't understand our issues in enough depth to articulate them fully," he added.

Today American Waterways prepares all its own design, writing and layout work for its annual report, brochures and other communications. Moving these operations in-house was one of Farrell's first, and most successful, efforts at getting American Waterways' finances under control.

"Joe came in and energized the organization," comments Berdon Lawrence, President of Hollywood Marine Inc. of Houston and a member of the original search committee that recruited Farrell. "He put some better quality people into key positions. He got material to the key board committees so we could have input. We went into a survival mode for a few years and only did the things that were absolutely necessary."

In all, Farrell cut the American Waterways budget from about $1.3 million to $780,000.

Along with streamlining the association, the most important issue Farrell has had to contend with is membership. American Waterways had lost a lot of members—more than 50 out of 300. Farrell's first order of business was to block further defections which appeared imminent among American Waterways' East Coast faction. He began his campaign by convincing existing members to stay, to give the new team a chance to show what it could do. Farrell next worked up a plan to regain departed members. He and his staff called on key industry leaders to discuss how American Waterways could benefit them. Membership began to stabilize and then increase.

Farrell then launched a campaign to increase participation on the Pacific Coast, which then had a mere four members.

"I felt we couldn't really be a national trade association without the West Coast," commented Farrell.

A West Coast office was soon established and now has 32 members.

American Waterway's membership continued to increase as Farrell and his team began to bring home some successes on the legislative front. In 1986, Congress enacted a bill that increased the fuel tax on waterway operators in exchange for government funding of important improvements to the inland waterway system.

The final deal was cut by Farrell with Office of Management & Budget chief David Stockman. Farrell then set out to gain industry support for the compromise. Although there was much controversy, the industry lined up behind it.

"This was a watershed for us," he recalled. "We were dealing directly with the [Reagan's] budget czar."

American Waterway's regained ability to play a leadership role in its industry is best reflected by last summer's drought crisis. By mid-June, Farrell foresaw the extent of the problem and mustered his troops.

"There was a huge leadership vacuum here," observed Farrell. "The question was whether or not we, as a trade association, should go or not. Nothing," he added, "could keep me out."

In six days American Waterways put together an ad hoc working group that included the top officials from the Coast Guard, the Army Corps of Engineers and the industry.

Although eager to jump into a crisis situation, Farrell is no seat-of-the-pants manager. Every year, American Waterways begins with approval of an annual business plan which focuses on the long-term goals such as developing an electronic media plan and changing the board committee structure to bring in increased expertise. Farrell then reports to the board three times a year on the association's progress. And American Waterways' regional staffs join the Washington crew two or three times a year for day-long retreats that Farrell started four years ago.

Now that America Waterways has its head above water, Farrell is concerned that its members and his staff not slow their pace. He continues to go after new members, improve the association's organization and structure and jump into new projects. Every year he develops an in-house "perspective members directory" listing the interests of the dozen or so key companies not yet belonging to American Waterways.

"I learned early on that each prospective member has his own fingerprints—its own agendas, problems and biases. You have to learn their unique characteristics so that you can show them why an investment in American Waterways is a sound one," said Farrell.

American Waterways now is finally in the black, with a budget for 1989 slightly more than $1.4 million and membership back to about 300.

One problem the association will face in the future, comments Morelli of Midland Enterprises, is to maintain staff morale.

"They have been so effective with such a small staff that we expect them to still perform at this level." It may be necessary to add some staff in the regulatory area, he feels.

Farrell adds that there is a need to broaden the organization's reach in Congress, from public works, where it has always focused its attention, to tax and environmental issues.

For the most part, though, Farrell does not see the need for significant staff growth to continue American Waterways' "upward climb and to get better and better." This is no surprise since trimming the fat from staff and keeping costs down has certainly been the key to this success.

Morelli agrees. "When you look at a lot of trade associations and you look at their budgets and staffs," he says, "pound for pound, we're as good as any."

## TARAS SHEVCHENKO

## HON. BRUCE A. MORRISON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. MORRISON of Connecticut. Mr. Speaker, I am honored to join with my colleagues in commemorating the 175th anniversary of Taras Shevchenko's birth and the 25th anniversary of the dedication of the Taras Shevchenko statue in Washington, DC. Taras Shevchenko is remembered for his poetry and its theme of a free Ukraine.

Taras Shevchenko, who is a hero of Ukrainians and Ukrainian-Americans, suffered a great deal for his country. He was arrested and imprisoned by the Russian monarchy because his poetry spoke of freedom and an independent Ukraine. While in prison he wrote:

It makes no difference to me,
If I shall live or not in Ukraine
Or whether anyone shall think
Of me 'mid foreign snow and rain.
It makes no difference to me.
In slavery I grew 'mid strangers,
Unwept by any kin of mine;
In slavery I now will die
And vanish without any sign.
I shall not leave the slightest trace
Upon our glorious Ukraine,
Our land, but not as ours known.
No father will remind his son
Or say to him, Repeat one prayer,
One prayer for him; for our Ukraine
They tortured him in their foul lair.
It makes no difference to me,
If that son says a prayer or not.
It makes no difference to me
That evil folk and wicked men
Attack our Ukraine, once so free,
And rob and plunder it at will.
That makes great difference to me.

Shevchenko, the poet patriot of the Ukraine, did make a great difference. He could not rest while his people were denied their nationhood. We must not forget that his struggle, the fight for fundamental human rights for all the peoples of the U.S.S.R., is not yet won.

Recently, Twentieth Century and Peace, a monthly journal of the official Soviet Peace Committee published "Live Not by Lies," an essay by Alexander Solzhenitsyn, the Russian writer who was banned in the Soviet Union. This small step of a very long journey will test glasnost, and we must wait and watch to see if Soviet society is truly opening.

Mr. Speaker, perhaps one day Shevchenko's poetry will be read once more in the Ukraine in its native language. Taras Shevchenko inspired many in the Ukraine and in the other captive nations to cherish their dream of freedom and independence. His poetry is a living symbol of freedom for not only Ukrainians, but everyone who believes in fighting for something they believe in.

## ARKANSAS YOUTH WINS VFW SCRIPTWRITING CONTEST

### HON. TOMMY F. ROBINSON

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. ROBINSON. Mr. Speaker, I am very proud of Gregory Brian Straughn, a young gentleman from my district who has been selected from a field of more than 250,000 secondary students nationwide as one of the nine winners of the Veterans of Foreign Wars Voice of Democracy broadcast scriptwriting contest.

The following is Gregory's winning script:

The Future is Now! This phrase prepares America for the duties and responsibilities expected of her. As Americans, we must realize that only through the youth of today, will we be a strong and prosperous nation. Our duty in preparing for the future is essential in maintaining the respect and alliance of fellow countries. It is imperative that we defend the country from all possible adversaries through the use of new technology and the military. Comprehending that the environment in which we live must be protected and enhanced so it will continue to support life on this globe is also very crucial. Our children need to be educated thoroughly and competently on the events of the past to prepare for the situations of the future. If we are to uphold our international status, these three concepts must be supported and implemented.

The future of our country depends upon the strength of our military. Despite the hope of "Glasnos," there is an evergrowing population of Communistic and Anti-American thought in the world. As Americans we must combat their advances through tough negotiations as well as superior military power. It is vital that we protect the freedoms and privileges set down in the Constitution. Admiral Arleigh Burke stated, "Stamina, guts, standing up for the things that we say—those are deterrents." Another consideration is the appropriation of funds for the Defense Department. In 1986, the United States spent $273.4 billion dollars on defense programs alone. This unduly high expenditure constitutes a look into the priorities of the military. For what is this money used? Why have we allocated so much for one program? It is inevitable that these questions are answered to justify the spendings.

America must lead the way in environmental responsibility as a conscientious effort to benefit mankind. This issue is supported by Clean Air and Clean Water Acts, but these alone are not adequate. We must understand that the environment can live without man, but man cannot live without the environment. Acid rain, the greenhouse effect, ozone layer depletion, and successful disposal of nuclear waste are among the critical issues facing America's future. The legislation bodies of all nations urgently need to recognize the situation with which we are faced. A call for safer conditions and higher standards in environmental issues can begin the pace towards global clean-up.

Education is vital for Americans to compete in international affairs. We must support a vitable education system to be assured of a progressive, profitable future. A commitment to serious priorities, such as improving national test scores, increasing college enrollment, and providing funds so students have the opportunity to develop their skills to the ultimate are necessary to allow education to deal with the complexities of the future. The issues of illegal drugs, student apathy, and disruption in the classroom are serious detriments to educational progress. Creative teaching techniques and more effective discipline will help alleviate these problems.

The amount of educational technology available is staggering. The utilization of computers can encourage students to take advantage of increasing scientific capabilities. To keep pace with foreign countries, a renewed emphasis must be placed on excellence with a confidence that technology is a positive tool. This technology, though, is expensive. If Americans wish to better themselves and their country, steps must be taken to appropriate funds to to so.

It is time for Americans to return to the values of honesty, integrity, and resourcefulness that were so important as the country developed. These values along with the three critical issues of strong defense, balanced environmental strategies, and competitive educational programs insure America's prominent position in the world of tomorrow. The future is now, and now is the future—bright, challenging, and filled with opportunity!

## AFTER 50 YEARS, WE CANNOT AFFORD INDIFFERENCE TOWARD POLISH ROUNDTABLE

### HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. LIPINSKI. Mr. Speaker, I rise today to express my deep concern with the ongoing Polish Roundtable negotiations and possible United States policy at the conclusion of the talks.

Since the monumental negotiations began in February, the newspapers have periodically reported incredible social and political advances which may be agreed on by the government and Solidarity. Most notably, the two sides agreed to reestablish Poland's upper chamber of Parliament, chosen by free elections. Similar to other significant democratic developments in Eastern Europe over the last 6 months, the new possibilities in Poland have not been met by a clear American response.

Given the complexities of the negotiations and Poland's severe economic problems, the United States' calculated tentativeness to this point is understandable. Any responsible American policy must be contingent on the results of the Roundtable. However, the negotiations are targeted to end April 3. If conclusions are reached at the Roundtable, the United States will be in position to play a major role in promoting or denying Polish reform. I believe that failure to clearly define United States policy toward Polish reforms will represent an opportunity lost for America to promote democracy within the Soviet bloc. I encourage my colleagues to give the potential opportunities for Poland highest priority, and join me in asking President Bush to do the same.

I am confident the Bush administration shares the sentiment that the United States should do all it can to promote greater freedom, participation, and pluralism in Poland. Since World War II, the Polish people have led the most effective peaceful resistance against Soviet bloc communism. As a result, Poland has maintained primary status in America foreign policy agenda. However, now that Poland seems on the threshold of monumental reform, the struggle of the Polish people seems to have slipped down our list of priorities. America cannot afford to treat this great opportunity for democracy with indifference.

If the Polish roundtable concludes successfully, church leaders and Solidarity's Lech Walesa will turn to the United States President and Congress for moral, economic, and political support. Come April 3, the United States must have an effective, responsive policy for potential Polish reforms.

Foremost, Poland must address its severe economic problems. The Polish Government must balance its foreign debt, and manage domestic supply and demand to control a 100 percent inflation rate. If the Poles immediately request debt relief measures to allow reform, what will be our response? Leaving economic policy solely to international organizations would prove unwise, limiting American influence. By assuming an active and constructive approach to IMF, World Bank, and Paris Club policymaking, America can ensure that economic reforms are not seperated from political considerations. Left to economists and bankers, radical price reforms may be instituted, without regard for the social and political upheaval that might follow.

After working with the IMF and the World Bank, the United States may consider bilateral programs aimed at promoting democracy and privatization. Some initiatives not requiring additional appropriations, such as granting GSP status, OPIC programs, further surplus agricultural offerings to generate joint commission funds, and cultural, educational, and technological exchanges, might prove useful in increasing the quality of life during stressful economic reform. Overall, an American role in Poland's renewal, both bilaterally and within international organizations, will help guarantee

the connection between economic reform and social-political reform.

By participating in the reform process, the United States can ensure that all foreign economic support is contingent on real progress toward freedom, pluralism, and power sharing by the Polish Government. We must guarantee that the legalization of Solidarity, the proposed new chamber of Parliament, and free elections are permanent steps toward democracy, not temporary concessions by the Communist government. Conditioning effective economic reform on political and social improvements requires a carefully developed plan of monitoring the changes in Poland. Enough channels, primarily private church and medical groups, are already in place to establish effective oversight by the United States.

The President as well as the Congress must assign high priority to the ongoing negotiations in Poland and the opportunities the roundtable may offer the Polish people. If the Government and opposition parties agree on reforms, the United States can play a major role in influencing the changes in Poland. We must assure the connection between economic and social-political reform. We must condition economic reform on real, permanent social change for the Polish people. Without an effective, responsive policy, American influence will be impossible. I hope the Bush administration agrees that a lack of clearly defined policy would represent an opportunity lost in promoting democracy.

I realize that any successful American response to Polish reforms will require immediate cooperation between the Congress and the administration. I look forward to following the President's direction, and working together for the interests of the long-struggling Polish people.

## HAPPY BIRTHDAY TO THE OHIO CENTER OF SCIENCE AND INDUSTRY

### HON. CHALMERS P. WYLIE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. WYLIE. Mr. Speaker, it is with great pride and enthusiasm that I report that at approximately 11 a.m. on Wednesday, March 29, Ohio's Center of Science and Industry in Columbus will celebrate its 25th birthday.

This event will occur as 2.1 million schoolchildren from across our great State take part at their schools in a "Science in a Balloon" workshop. This workshop is in keeping with the center's quarter century tradition of providing hands-on experiences which challenge students of all ages to investigate the nature of an intriguing phenomena.

The birthday celebration is being held also to help combat the problem of science illiteracy in our Nation. It is COSI's birthday wish that this activity will help stimulate excitement about science for those who participate and help reverse this trend. We in Ohio intend to show people that science can be a lot of fun.

COSI is 1 of only 27 science-technology centers in the world, and the only 1 that is 97 percent privately funded. As Ohio's only such facility, COSI serves visitors from all over the State and surrounding region.

Over 75 percent of COSI's annual attendance is from outside Franklin County, and 70 percent of those people say that they are in Columbus to visit COSI.

Since 1964, COSI has offered 7.1 million visitors unmatched opportunities for discovery about themselves and the world around them. COSI expects to serve 15 million additional visitors in the next 11 years, bringing annual attenance in the year 2000 to 2 million people.

I am pleased to report that because of dedicated people such as Roy L. Shafer, president and chief executive officer of COSI, that the interest in science is alive, well and growing rapidly in Ohio. It's something that we hope becomes epidemic and spreads throughout the United States.

## PREPARING FOR AMERICA'S FUTURE

### HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. RAHALL. Mr. Speaker, each year the Veterans of Foreign Wars [VFW] of the United States and its ladies auxiliary conduct the Voice of Democracy Broadcast Scriptwriting Contest. This past year more than one-quarter million students entered the contest, over 4,000 VFW posts and 3,700 ladies auxiliaries sponsored the program and over 2,000 radio and TV stations participated.

This year's theme was "Preparing for America's Future," and I am happy to announce that the winner from West Virginia hails from the town of Lashmeet in my district. Amy Diane Wiley is a senior at Matoaka High School in Mercer County and plans to pursue a career in education. I had a chance to meet with Amy while she was in Washington, DC, and I wanted to share her excellent essay with my colleagues.

PREPARING FOR AMERICA'S FUTURE

In 1976 when I was a five-year-old child, I would listen to any story my grandfather had to tell. My grandfather's interest in politics was strong. He would tell me what Presidents had been good for the country in the past, and what man he thought should plan our future. Though I was young, I had an understanding of what he was saying. He once told me, "Just look for love, faith, and the ability to learn from one's mistakes." After this comment, I became confused; to me, love was just simple puppy love, and faith was something to do with church. Learning from mistakes was for older people, because I never thought I made mistakes; I was just a kid. I wonder what my grandfather meant. What did looking for love, faith, and the ability to learn from one's mistakes mean? What did all this have to do with me? I asked him, and he looked at me and wisely replied, "You will find out in the future, but you must be prepared and you must start now."

Twelve years have passed, and I am now a high school student getting ready to begin my future. I have realized over the past few years the meaning of what my grandfather had explained to me years ago.

Preparing for my future as well as for America's future is something we have to do together. Together as one nation, we can make America's future something to look forward to, a future all men, women, and children will not have to fear. However, we must first come together through love, faith, and the ability to learn from our mistakes. These ideas can further improve the outlook of our future and give Americans a goal for which to strive.

Love, defined as a deep brotherly concern for others, is a feeling shared by every person on earth. No human can live without the ever-popular, overpowering feeling of love. It is the bond that holds the hearts of people together and keeps this country as one. The love for our country is one of the strongest powers in the world. Love has saved our country in times of war. It has saved our independence, our rights, and our freedoms. We have to keep this love alive and strong in our hearts, for without love . . . I see no future.

As George Michaels, a popular rock singer, puts it, "You've got to have faith, faith, faith." Well, yes, we do have to have faith, faith in ourselves, faith in our country, and faith in our future. Our country as a whole can take on anything if we have faith. Think of the world as an unchallenging place, where no one has any given goals or dreams to live by. Without faith we cannot have the power to search for our given goals or to believe we can fulfill our dreams. Therefore, we must strengthen our faith in America and stand behind one another; for without faith . . . I see no future.

Learning from our mistakes is a key effort of every person throughout his life. If we can learn from our mistakes, as well as from other mistakes, we can make every tomorrow a little better and brighter. Learning from mistakes enables us to use the past to make the future greater for generations to come. Without learning from our mistakes . . . I see no future.

As a child, my grandfather had given me the love I needed, whenever it was needed. He also always had faith in me and told me I could do whatever I put my mind to. He stood behind me through all my endeavors. He taught me how to learn from my mistakes and make things the best they could be . . . I saw a future.

If my grandfather could see me now, and see what I am doing for my future, he would be so proud. His heart would be filled with love, and his faith in me would be stronger than ever before. Wherever he may be, I know he is watching, watching me learn from my mistakes, which in turn will make me a better person and enable me to have a better future in this great nation I am privileged to call America, my homeland.

## SOUTH DAKOTA VOICE OF DEMOCRACY WINNER

### HON. TIM JOHNSON

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. JOHNSON of South Dakota. Mr. Speaker, Rochelle Eschenbaum of Faulkton, SD, was recently selected as a State winner in the Voice of Democracy broadcast scriptwriting contest conducted each year by the Veterans of Foreign Wars of the United States and its ladies auxiliary. This program began 42 years

ago and has grown to include over one-quarter million students from over 6,000 schools across the Nation. The contest theme this year was "Preparing for America's Future."

Mr. Speaker, I ask that Rochelle's winning script be reprinted in the CONGRESSIONAL RECORD. Rochelle deserves to be commended for her exceptional efforts in writing this script and participating in this contest. Her insights and enthusiasm will serve as a model to others her age.

PREPARING FOR AMERICA'S FUTURE

As I awake in the morning, I can see the sun rising in the east preparing us for the day ahead. Sometimes the sun is very bright, and sometimes it appears to be dull and rather dreary. No matter how the sun looks in the morning, it will always be there and will always start our day.

We must awaken to the surroundings of the world and our country and begin preparing for our days ahead. Just as the sun prepares us for a day, so we must prepare each other for our country's future. The children of our country are our future leaders, and we must begin our preparations with them while they are still young. We should teach them just how special America is by stressing the importance of independence, the freedom of life, liberty, and the pursuit of happiness, and how each person is represented in our government.

As we awaken the interests of the children in this nation, we must also understand the reality of communism, socialism, and other forms of government. Each country runs it government differently, and I feel we should be very thankful to have a democratic form of government. Without a good and stable democracy, the chance that each one of us could be free and independent and able to pursue life the way we want to, is very slim.

While making preparations for our country's future, I feel that it is very important to stress the fact that each person needs to grow separately and independently of one another. By doing this, each person must believe in strong morals and have a good image of himself. If we all work together at this, maybe America will someday be free of drug and alcohol problems while diminishing the rising rate of crimes.

During the process of preparation for our country's future, we must work with other nations to build treaties and arms agreements. If we want a safe world with peace and happiness for all, we must end the constant battle of power and authority over nuclear weapons. We must elect strong leaders that will support our nation's belief in independence. These leaders must continue to carry on the strong government we have, and must prepare even a stronger government for the future.

When the sun begins to set in the west, we feel the effects of the close of day. We settle into bed, and soon we awaken again to the start of a new day.

Just as the sun brings the day to a close, so we must complete the teachings of our children so they can awaken some day and begin to prepare their children for America's future.

While watching our nation grow and prosper in today's changing world, we look back on how our ancestors worked hard to build the United States into a strong nation of which I hope each one of us can be very proud.

## VOTING RECORD OF HON. DON J. PEASE

## HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. PEASE. Mr. Speaker, it has become my practice to insert periodically in the CONGRESSIONAL RECORD a list of key votes that I have cast in the U.S. House of Representatives.

The list is arranged in this manner: Each item begins with the rollcall vote number of the bill or resolution that the House was considering, followed by the bill number and a summary of the issue. This is followed by my own vote on the issue and the vote outcome.

This list of votes covers the period of June 15, 1988, through the end of the 100th Congress on October 21, 1988.

KEY VOTES OF CONGRESSMAN DON J. PEASE

(193) H.R. 4781. FY 1989 Defense Appropriations. Appropriating $282.6 billion for most Defense military functions and most intelligence activities. Yes. Passed 360-53.

(194) H.R. 4150. Move Postal Service Off-Budget. Moving the U.S. Postal Service off-budget. Yes. Passed 390-16.

(201) H.R. 1158. Fair Housing Amendments. Amendment deleting provisions of the bill extending protection from housing discrimination to families with children under the age of 18. Yes. Failed 116-289.

(209) H.R. 4794. Transportation Appropriations. Appropriating $10.8 billion in FY 1989 for the Transportation Department and related agencies. Yes. Passed 371-40.

(216) H.R. 1158. Fair Housing Amendments. Strengthening the federal fair housing law by authorizing HUD to initiate enforcement actions of its own when conciliation between the parties fails; also extending protection against housing discrimination to handicapped persons and families with children under the age of 18. Yes. Passed 376-23.

(218) H.R. 4174. Small Business Reauthorization. Authorizing funds for the SBA and amending various SBA programs to improve their operation and encourage lenders to make small loans. Yes. Passed 342-40.

(219) H.R. 1720. Family Welfare Reform. Instructing conferees to limit the cost of the bill over five years to of $2.8 billion. No. Passed 227-168.

(223) H.R. 4481. Military Base Closings. A substitute allowing the recommendations of the Defense Department's commission on base closures to automatically go into effect, unless Congress enacts a resolution disapproving the recommendations. Yes. Passed 223-186.

(228) S. 2527/H.R. 4848. Plant Closing Notification and Omnibus Trade Bills. Adopting the rule that made in order both S. 2527 and H.R. 4848. Yes. Passed 258-155.

(229) S. 2527. Plant Closing Notification. Requiring employers with 100 or more full-time employees to give 60-days advance notice of certain plant closings or mass layoffs. Yes. Passed 286-136.

(231) H.R. 4848. Omnibus Trade Bill. Passage of a bill almost identical to the omnibus trade bill vetoed by President Reagan in May; two provisions were deleted—one requiring 60-day notification in the event of a plant closing, the other placing certain restrictions on the export of Alaskan oil. Yes. Passed 376-45.

(235) H. Res. 497. Condemnation of Nicaraguan Government. Condemning recent Nicaraguan government actions and calling for Nicaraguan compliance with the Central American peace accords. Yes. Passed 385-18.

(238) S. 328. Prompt Payment Act. Eliminating the grace periods that allow federal agencies to pay a bill late without incurring an interest penalty. Yes. Passed 394-0.

(244) H.R. 3964. National Park Service Reform. Substitute bill eliminating most provisions that made major organizational changes in the Park Service to increase its autonomy and creating a new advisory board. No. Failed 145-231.

(247) H.R. 5015. Drought Assistance. Substitute bill providing for a 50-cent increase in the dairy support price during the period April 1 through June 30 only. Yes. Passed 246-155.

(249) H.R. 5015. Drought Assistance. Providing assistance to farmers and rural communities hurt by the drought and other natural disasters in 1988. Yes. Passed 368-29.

(257) H.R. 4352. Homeless Assistance Reauthorization. Reauthorizing homeless assistance programs established by the Homeless Assistance Act of 1987. Yes. Passed 330-80.

(266) H.R. 4333. Tax Technical Corrections. Extending certain tax provisions due to expire and making numerous miscellaneous tax changes and technical corrections to recent tax legislation. To offset revenue loss from certain provisions, it also contained several revenue-raising provisions. Yes. Passed 380-25.

(267) H.R. 5090. U.S./Canada Trade Agreement. Approving the U.S./Canada Free Trade Agreement signed by President Ronald Reagan and Canadian Prime Minister Brian Mulroney in January 1988. Yes. Passed 366-40.

(279) H.R. 4526. Manassas Battlefield. Expanding the boundaries of the Manassas National Battlefield Park in Virginia to incorporate the 600-acre William Center tract, the site of Confederate General Robert E. Lee's headquarters, and transferring ownership of this land to the federal government. Yes. Passed 307-98.

(288) H.R. 1580. Anti-Apartheid Act. Imposing additional economic and diplomatic sanctions against the white minority South African government. Yes. Passed 244-132.

(295) H.R. 4867. FY 1989 Interior Appropriations. Appropriating $9.9 billion for the Interior Department and related agencies. Yes. Passed 359-45.

(298) H.R. 5210. Omnibus Drug Initiative Act. Amendment permitting the imposition of the death penalty for individuals convicted of killing a person during the course of committing or in furtherance of a drug felony. Yes. Passed 299-111.

(300) H.R. 5210. Omnibus Drug Initiative Act. Amendment requiring the denial of federal grants, contracts, loans, licenses, and public housing for five years for those convicted of two or more drug-related offenses within a 10-year period. Yes. Passed 335-67.

(307) H.R. 4783. FY 1989 Labor-HHS Appropriations. Disagreeing with a Senate amendment to expand existing law to allow the use of federal funds for abortion under the Medicaid program in cases of rape or incest. No. Passed 216-166.

(314) H.R. 5133. Insider Trading. Increasing penalties for insider trading, imposing additional legal restrictions on securities firms, and requiring greater supervision of employees by securities firms to prevent insider trading. Yes. Passed 410-0.

(321) H.R. 5210. Omnibus Drug Initiative Act. Amendment deleting the bill's provisions to establish a seven-day waiting period for handgun purchases. No. Passed 228-182.

(330) H.R. 5210. Omnibus Drug Initiative Act. Substitute providing $125 million to states that implement drug enforcement programs which require the suspension of driver's licenses of persons convicted of drug-related criminal offenses. Yes. Passed 281-119.

(332) H.R. 5210. Omnibus Drug Initiative Act. Authorizing funding for numerous law enforcement and drug-abuse education and treatment programs. Yes. Passed 375-30.

(338) H.R. 5142. AIDS Federal Policy Act. Amendment requiring states to require AIDS testing for everyone seeking a marriage license if the rate of infection with the AIDS virus exceeds 0.1% in the state. No. Failed 91-304.

(339) H.R. 5142. AIDS Federal Policy Act. Amendment requiring hospitals in states where the rate of AIDS virus infection exceeds 0.1% to routinely provide AIDS tests to essentially all patients between the ages of 15 and 50. No. Failed 89-302.

(341) H.R. 1154. Textile and Apparel Trade Act. Agreeing to Senate amendments imposing import quotas on a wide range of textile, apparel and footwear products. No. Passed 248-150.

(344) H.R. 5142. AIDS Federal Policy Act. Authorizing $400 million annually over the next three years for a new program of grants to support AIDS testing and counseling programs and establishing federal protection for the confidentiality of AIDS test results. Yes. Passed 367-13.

(353) H.R. 5337. Sanctions Against Iraq. Enacting military and other sanctions against Iraq for use of chemical weapons. Yes. Passed 388-16.

(367) H.R. 4637. Foreign Aid Appropriations. Motion to recede from disagreement with the Senate provision that authorized certain foreign aid programs. No. Passed 303-90.

(378) H.R. 387. Federal Pay Equity. Establishing a commission to study the Federal Government's pay and job classification systems to determine whether they are operated and administrated consistently with laws barring discrimination based on sex, race, or national origin. Yes. Passed 302-98.

(373) H.R. 1720. Welfare Reform. Requiring states to establish employment and job training programs for welfare recipients, requiring most recipients to take part in the job training program if space is available, and requiring states to enroll a specific percentage of recipients in such training programs. Yes. Passed 347-53.

(378) H.R. 5288. Veterans' Judicial Review. Establishing an independent court of veterans' appeals to rule disputes between the Veterans' Administration and veterans.

(404) H.R. 4919. U.S.-U.S.S.R. Fisheries Agreement. Approving a new five-year reciprocal fisheries agreement signed by the U.S. and the Soviet Union in May 1988. Yes. Passed 412-5.

(426) H.R. 1154. The Textile and Apparel Trade Act. Overriding the President's veto of the bill. No. Failed 272-152 (two-thirds vote required).

(428) H.R. 5410. Foreign Investment Disclosure. Requiring foreigners who invest in certain U.S. businesses and properties to register with the Commerce Department and file a report containing specific information about the investor and investment. No. Passed 250-170.

(443) S. 2749. Military Base Closings. Establishing new procedures for closing or realigning certain military bases in a one-time process to begin during 1990 or 1991 and to be completed before the end of FY 1995. Yes. Passed 370-31.

(457) H.R. 3048. Superconductivity Research. Establishing a five-year plan for research and development of high-temperature superconducting materials and designating roles and responsibilities for various federal departments and agencies in implementing such a national plan. Yes. Passed 353-0.

(465) H.R. 5210. Omnibus Drug Initiative Act. Approving a compromise bill that included authorizations and supplemental appropriations for numerous law enforcement and drug-abuse education and treatment programs. Yes. Passed 346-11.

## THIS SNUFFY SMITH WON'T WASTE TIME

## HON. GEORGE (BUDDY) DARDEN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. DARDEN. Mr. Speaker, we sometimes speak fondly of "the little red schoolhouse" as the symbol of public education facilities in our Nation. In reality, of course, the typical school today is not that tiny, one- or two-room structure, but a larger, more sophisticated building in which our children learn in comfortable, well-equipped surroundings.

As supervisor of facilities in the Cobb County school system for more than 20 years, Floyd Smith has seen the schools of our community evolve in this way—from a handful of austere, rural schools to a countrywide suburban system of modern facilities which set the standard for public education in Georgia.

I would like to pay tribute to Mr. Smith, who recently retired from the Cobb school system, and to offer for inclusion in the CONGRESSIONAL RECORD this profile of him from the March 12 edition of the Marietta Daily Journal.

THIS SNUFFY SMITH WON'T WASTE TIME

(By Peggie R. Elgin)

Floyd Smith, who has had a hand in planning or repairing every school in the county in the past 38 years, has no plans to disappear into the sunset now that his retirement is official.

Standing in front of the old Mountain View School on Sandy Springs Road, Smith recalled his first job for the county school system.

"They had pot-bellied stoves and no indoor plumbing when I first came here in 1951," he said. "They had privies out in back and the rooms were lighted with three light bulbs."

Smith, affectionately known by his friends as "Snuffy Smith" after the comic strip character, began his work on local schools as a private architect after earning a degree in the first graduating class of Southern Tech.

Later he became supervisor of planning, construction, maintenance and custodial services and for asbestos survey and removal, working as a county school employee for 22 years.

Smith cleaned out his desk last summer when he officially retired and school officials plan a retirement tea in his honor 2:30-4 p.m. today at the school board offices. But the work schedule Smith maintains hardly reveals a man in retirement.

"I'm doing consultant work now," said Smith.

Following his official retirement last summer, he organized an asbestos survey required by the federal government and supervised removal where needed. He also conducted a study of lead in water and will soon conduct radon surveys.

"It's more than full time," said Smith. "I've always had time for my number one hobby, gardening."

The fishing Smith has always wanted to do may still have to wait because his "retirement" schedule is simply too busy. But he does plan to make more time for his grandchildren.

Smith, 63, and his wife Mary-Grace have three daughters—Sherran Reeves, Nehal Gabler and Toni Sheasby—and four grandchildren.

The extensive and varied work in county schools over the years gives Smith a unique outlook on school buildings and operations.

"I have worked on every school in the county in some way or another," he said.

"My first job was to measure Mountain View, Blackwell, Kennesaw, Riverside, Mableton and part of Austell for renovations," he said. "They were basic country schools."

Cobb taxpayers had approved a $3 million in 1950 to pay for the improvements. The most recent bond issue approved by voters was for $58.5 million in 1987.

"To tell you how times have changed, let me tell you what $3 million bought back then," Smith. "It bought old Sprayberry High School (now Walker School), South Cobb High School, Campbell High School, a 22-classroom addition and gym at Acworth School (a high school at that time), Eastside Elementary School (replacing the old Mt. Bethel School), and all the renovations."

The buildings were needed to meet the booming growth.

"The Korean War started (in late 1950)," said Smith. "Lockheed opened in the old Bell Bomber Plant. And before we finished any one of those high schools, we were building additions on all of them. It has been gangbusters ever since."

Smith was not always an employee of the school system.

Smith began work for H. Griffith Edwards architectural firm after graduating from college. Also working there was well-known Atlanta architect John Portman. His next employer was Bothwell and Nash.

After working for other architectural firms, Smith opened his own business, Dale and Smith, architects, with a former classmate from Southern Tech. The firm did projects for Cobb and other school systems.

"In 1967 Cobb Schools hired me as its supervisor of planning and construction of schools," said Smith. "At least that was the job I applied for. At the meeting, however, the board approved me for plannning and construction supervisor and added maintenance and custodial supervisor."

Smith said he was surprised to learn he had been assigned new duties but no additional pay.

Though much construction was underway and one of Smith's main responsibilities was working with architects on new projects, he said his biggest problem was maintenance.

"The school system had never managed maintenance and custodial services from the central office," he said. "We only had one piece of rolling equipment (truck) when I first came. There was no glass in it and the

doors were welded shut. You had to get into it like the Dukes of Hazzard."

## INVESTMENT ADVISERS SCARING SENIORS

### HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. STARK. Mr. Speaker, a group of investment advisers around the country are trying to buffalo seniors into changing their investment patterns in order to avoid the Medicare Catastrophic Coverage Act's supplemental premiums.

In many cases, these investment salesmen are just plain lying to seniors. In most cases, it makes absolutely no sense for seniors to switch investments—see Forbes, March 20, 1989, and the Wall Street Journal, March 14, 1989.

Following is recent correspondence I've had with the Securities and Exchange Commission about a mailing to my constituents from Investment Network of America, a firm located in San Francisco.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
*Washington, DC, March 20, 1989.*

Hon. DAVID RUDER,
*Chairman, Securities and Exchange Commission, Washington, DC.*

DEAR MR. CHAIRMAN: Enclosed is a letter one of my constituents received from a group called Investment Network of America.

The first sentence is an attempt to scare senior citizens—and it is a blatant lie. The new Medicare law (Public Law 100-360) does not cost $1600 for [all] couples over 65, yet that is how the sentence reads. As you know, only 40 percent of all seniors will pay any supplemental premium, and it is estimated that only about 10 percent will pay the maximum amount. The average supplemental premium is estimated to be around $300 a year.

This mailing to seniors uses the inaccuracies of the first sentence to scare seniors into switching investments, although there are numerous reports in the press that for most seniors, such movement of investments does not make sense.

I urge the SEC to act against Investment Network of America for its inaccurate mailing. Any group that would send such a mailing to vulnerable senior citizens is probably lying about the rest of its products. I urge the SEC to review the entire operation of this group.

Sincerely,

PETE STARK,
*Member of Congress.*

INVESTMENT NETWORK OF AMERICA.

DEAR ——. Starting January 1, 1989, if you are 65 or older, the I.R.S. will collect a new surtax of $800.00 (Maximum) for individuals and $1,600.00 for couples. This new Medicare surtax cannot be avoided by waiving Medicare benefits.

You should also know that this tax increases through 1993!

Now is the time to learn what your options might be. We have developed a Medicare Tax Reduction Plan to minimize your exposure to this new surtax. This is a free service offered through the Investment Network of America at no obligation to you.

Investment Network of America is located at select Bank of America branches. Please call 1-800-356—— to schedule an appointment with your local Investment Network of America representative.

Sincerely,

SHEILA WEST,
*Tax Program Coordinator.*

P.S.—Don't needlessly pay the new surtax to the I.R.S.! Call 1-800-356—— to arrange your appointment today.

## TRIBUTE TO THE RAOUL WALLENBERG COMMITTEE RECENTLY ESTABLISHED IN BUDAPEST, HUNGARY

### HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. LANTOS. Mr. Speaker, I invite my colleagues in the Congress to join me in extending congratulations to the newly established Hungarian Raoul Wallenberg Committee and to join me in commending this group. In recent years, Wallenberg Committees have been established around the world, but this is the first such committee that has been created in Hungary—the place where Raoul Wallenberg performed his self-sacrificing, life-saving activities.

A member of the leading Swedish banking family, Wallenberg left the wealth and affluence of Stockholm and went to Hungary at the height of the Nazi terror to interpose himself between the Nazi war machine and the persecuted, unarmed thousands. When he arrived in Budapest, the Jews of the countryside had already been taken to Auschwitz where most perished. But it was Raoul's presence in the city of Budapest which delayed the wagons long enough so that some 100,000 people survived the Holocaust. Budapest was the place where he was last seen in freedom. In January 1945—over 44 years ago—he was taken prisoner by Soviet troops, and he has not been seen in freedom since then.

Raoul taught us two things. First, that a single individual committed to an idea can achieve miracles and, second, that human rights are indivisible, that it is not enough just to be concerned with our own human rights. As Catholics or Protestants or Jews or Swedes or Americans or whites or blacks, the only relevant concern for human rights that deserves respect is the concern that transcends religion and race and color and creed and national origin. He did not go to Budapest in 1944 to save Lutheran Swedes. He went there to save Hungarian Jews, with whom he had nothing in common, except his humanity.

Raoul Wallenberg not only fought evil, but he also fought indifference, and indifference is the twin of evil. Those who kill are murderers but those who stand by and do nothing in the face of murder share a complicity in crime. Those who are terrorists and kill are criminals, but those who shelter and expedite terrorism are in complicity with the crime. Raoul's message was clear and loud. We have to fight evil, but just as hard we have to fight indifference.

Mr. Speaker, the statement of purpose of the Raoul Wallenberg Committee of Budapest reflects the continuing commitment of people everywhere to the noble principles for which Raoul Wallenberg risked his life and sacrificed his freedom, but it also reflects the growing freedoms that are being enjoyed by the people of Hungary which we welcome. I ask that this declaration of the Raoul Wallenberg Committee of Budapest be placed in the RECORD.

DECLARATION OF THE ASSOCIATION

In the face of increasing prejudice both old and new, intolerance, and racist emotions, our Association, continuing Raoul Wallenberg's intellectual heritage, considers tolerance, the preservation of the culture and dignity of every minority group fundamental values. Raoul Wallenberg, Swedish diplomatic secretary, saved thousands from death during the period of peril. His conduct has a symbolic meaning that our Association wishes to use as ethical standard for the Hungarian social and political public life.

The Association recognizes with conviction the composite nature of cultures being the result of different ethnic groups and religions. Therefore, its principle maintains that every individual has the sovereign right to freely and with dignity associate with any group or groups having a different minority, ethnic, religious or cultural background.

We can talk about a democratic society only if it recognizes every citizen's right to his own identity, if it values the idea of multiplicity and the right to be different and is willing to declare solidarity with any group should that group experience injury, discrimination, or persecution.

The objective of the Association is to contribute to the establishment of such a democratic-minded collective which judges individuals on the basis of their personal worth rather than on the basis of some group association where a minority sensitivity complex becomes the inferiority complex of the whole society, and where self-esteem is inseparable from the respect for the rights of others.

## IN OPPOSITION TO JOINT COMMERCIAL USE OF EL TORO MARINE CORPS AIR STATION

### HON. C. CHRISTOPHER COX

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. COX. Mr. Speaker, one of our Nation's most important military bases, the El Toro Marine Corps Air Station, is located within the district that I have the honor and privilege to represent.

In recent years, as we have searched for more airport sites across our Nation, the conversion of military bases in whole or in part to civilian use has often proved a sensible option. In fact, more than 20 military airfields now permit civilian use.

For this reason, when planners have looked at the air traffic situation in southern California, they have explored this alternative for increasing capacity. The long runways currently in place at the El Toro Marine Corps Air Station offer an attractive site for possible com-

mercial use. As a result of careful analysis, however, it is now clear that this alternative simply does not make sense.

First, virtually all parties are agreed that closure of this base—permitting its subsequent conversion to totally commercial use—is not in the national security interest of the United States. The location and mission of the El Toro Marine Corps Air Station are critical to our national defense and in an era of declining defense budgets, the Department of Defense cannot afford to relocate the activities conducted from El Toro.

Second, joint use—the only remaining option for commercial use of El Toro—is equally unworkable. Field mirror carrier landing practice, one of the most important activities at the base, simply cannot be accomplished in conjunction with air carrier service. The parallel runways at the base cannot be used simultaneously because they are too close together. Military and commercial flights cannot easily communicate because equipment on board these aircraft use different frequencies. The construction of a commercial terminal would take up valuable and crowded land on the base. The use of live ammunition on the base, including missiles, rockets, and machineguns, and the arming and de-arming of ordnance, present an extraordinary safety risk.

The added frequency of commercial flights that would be required to make El Toro a viable commercial airport would dramatically increase the overall level of noise for the surrounding residential communities. And the significantly higher ground traffic volume generated by joint commercial use would represent a problem for the base's neighbors just as serious as the increased jet noise.

In a major 1984 Department of Defense/Department of Transportation joint study, El Toro failed preliminary reviews and was not recommended as a candidate for joint use. In response to a request to review this study, the Federal Aviation Administration said that:

> Joint use can be accomplished only with the sponsorship of the State or a local agency and the cooperation of the military.

Mr. Speaker, the military has expressed its unequivocal opposition to any commercial use of El Toro, for the reasons I have cited and for many more. Moreover, no legitimate local organization that takes into account the vehement opposition of hundreds of thousands of local residents could responsibly recommend, let alone sponsor, commercial use of El Toro.

Mr. Speaker, it is clear that something must be done to provide better access to air transportation for residents of southern California. But joint commercial use of El Toro would make our problems even greater. That is why dedicated citizens in Orange County—such as the Coalition for a Responsible Airport Solution—are working so hard toward finding a solution. The Congress should join in applauding their efforts, and in ensuring that the military mission of El Toro will not be compromised by joint commercial use.

## THE MEDICARE CATASTROPHIC COVERAGE REVISION ACT OF 1989

### HON. PETER A. DeFAZIO

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. DEFAZIO. Mr. Speaker, during the 100th Congress there was considerable debate over the issue of catastrophic health care coverage. Congress had the opportunity to pass legislation that would have expanded the current Medicare Program to provide comprehensive long-term and health maintenance services for senior and disabled citizens.

However, Congress passed H.R. 2470, the Medicare Catastrophic Coverage Act. The Catastrophic Coverage Act was billed as the greatest expansion of Medicare coverage since the program was established. At the time, I felt the costs of the program were excessive and the benefits extremely limited, and I opposed passage of H.R. 2470.

Of the Nation's more than 32 million Medicare beneficiaries, less than 1 percent will benefit from the major benefit of expanded hospital coverage; ninety-three percent of the beneficiaries will not exceed the $1,370 out-of-pocket limit on doctor's bills. And, 83.2 percent will never exceed the $710 deductible for prescription drugs.

In order to pay for these minimal health care improvements, existing Medicare premiums will increase by 41 percent between now and 1993. Many Medicare beneficiaries already are hard pressed to pay the 38.5-percent premium increase imposed on seniors in 1987, as the calls and letters to my office demonstrate. It's understandable that they are concerned about another increase, especially for benefits that do not address their most pressing health care needs.

In addition to the increased premiums, the new catastrophic law also created an income tax surcharge for all retirees with $150 or more of Federal tax liability. The new tax will equal 15 percent of taxable income in 1989 and will increase to as much as 28 percent in 1993, up to a limit of more than $1,000.

I believe we did our parents, our grandparents, and fellow citizens a great disservice by forcing these additional costs on seniors while ignoring coverage for the services that are truly catastrophic: long-term and in-home nursing care.

Many of our senior citizens do not seek medical attention because they do not have the discretionary income to meet their insurance deductible. The catastrophic coverage law does nothing to aid those who need assistance the most and offers little or no relief to the chronically ill and disabled.

Recent reports show that the majority of Medicare beneficiaries already have equal or better coverage through private insurance plans or the Medicaid Program. I believe seniors should pay their fair share of any new benefits, but they should not be forced to pay more for benefits they already have.

Mr. Speaker, today, I am introducing legislation which would delay further implemention of the Medicare Catastrophic Coverage Act, with the exception of the spousal impoverishment provision, for 1 year. The current benefits would be financed by the flat premium increase. According to the Congressional Budget Office, the flat Medicare premium increase will be sufficient to pay for the benefits that have already been put into place plus the spousal impoverishment benefit.

The intent of the bill in delaying further implementation, is to give Congress an opportunity to revisit the funding mechanism, through public hearings, to determine what, if any, changes need to be made to the act.

Mr. Speaker, I believe we have a responsibility to provide seniors with a package that meets their true needs, particularly since they are paying the bill. Given the fact that if we have failed to do so, we must revisit the act.

This measure is a companion bill to S. 335 which was introduced by Senator JOHN MCCAIN. S. 335 enjoys the support of Senators BOREN, COCHRAN, GORTON, HEFLIN, and WILSON.

I urge my colleagues who have heard from their constituents on this issue to join Representative TAUKE and I in cosponsoring the House version of the Medicare Catastrophic Coverage Revision Act of 1989.

## CHINESE POPULATION CONTROL PROGRAM

### HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. SMITH of New Jersey. Mr. Speaker, for a decade, the People's Republic of China has had a one-child-per-family policy. To enforce this decree, the central authorities in China have adopted coercive measures, among which is forced abortion even in the last trimester of pregnancy.

In the last 2 or 3 years, foreign apologists for China's population control efforts have claimed that official Chinese policy has withdrawn endorsement of Iron-handed tactics and especially forced abortion since 1984. China's foreign supporters admit that there still are abuses in this respect, but claim that these are isolated cases which are the result of maladroit zeal on the part of local authorities. Such defenders of China's population control efforts suggest that because the Chinese program is now supposedly free of an official policy of duress, that there no longer is any reason for the United States to withhold funds from the U.N. Population Fund [UNFPA] which dried up in 1985 because of UNFPA's support for the Chinese program.

Evidence from the Chinese media itself contradicts these assertions. Indeed, there may have been a slight, and I emphasize the word "slight," retrenchment of coercive population control procedures in 1984 in preparation for the Mexico City International Conference on Population sponsored by the United Nations. But since the autumn of 1985, population policies have been getting more strict. Central authorities have continued pressing local cadres to use greater compulsion in forcing compliance with the program. This policy is in effect today, especially in regard to national minorities.

A recent article in the Washington Post—February 25, 1989, page C1—chronicles a firsthand account of the brutal tactics wielded by Chinese birth control teams in Tibet. Not only have women been forced to have abortions, but in some places every woman of child bearing age has been sterilized. In other cases, newborns have been killed by lethal injections. Eyewitnesses tell of seeing the bodies of dead babies piled high outside the tents of Chinese Government birth control stations. Other sources claim that since 1987, there has been a multifold increase in the number of birth control cadres who have unleashed campaigns reaching into the remotest valleys of Tibet.

In China as a whole, the population control policy is actually becoming more coercive as a result of directives from the national level. These decrees demand an escalation of the war on population, which in reality is a war on their own people, by means of mandatory IUD insertions, forced sterilizations, and packing women off to undergo abortions.

John Aird, former Senior Research Specialist on China at the U.S. Bureau of the Census, in a study just completed in February 1989, stated:

During 1987 and 1988 central demands for strict enforcement of family planning requirements escalated sharply and the escalations have continued into 1989. New measures have been devised to bring pressure on the whole administrative chain of command down to the grassroots level. Severe penalties are prescribed in the newly revised local family planning regulations. Tactics once condemned as coercive are once again advocated.

Mr. Speaker, it is time that the Congress of the United States as the representatives of the American people express our solidarity with the people of China who are, even as we meet today, undergoing a brutal repression of their basic human rights. More than four decades ago, the world community at the Nuremberg War Crimes Trials found that the forced abortions by Nazi doctors in occupied territories amounted to a crime against humanity. Can we remain silent as history repeats itself today among millions of women and children in China?

Mr. Speaker, I am submitting today a concurrent resolution which condemns the continuing violation of fundamental human rights by the Government of the People's Republic of China against not only its own citizens but also against the people of Tibet. Along with other offenses, the resolution condemns the practice of forced abortions and involuntary sterilizations in the Chinese population control program.

Mr. Speaker, this is not a new subject for Congress. These sentiments were articulated by this body with strong bipartisan support in the passage on December 10, 1987, of H.R. 3100, a bill authorizing international security and development assistance. On July 10, 1985, the House voted overwhelmingly—289 to 130—for an amendment that specifically condemned these practices. I call upon my colleagues to reiterate our condemnation of these human rights violations and reaffirm our support for their victims by passage of the concurrent resolution which I am introducing today. The text of the resolution follows:

H. CON. RES. —

Whereas in 1979 the People's Republic of China adopted a one-child-per-family policy that purports to protect voluntary decisions by couples on matters relating to family planning but in reality relies on coercion, economic penalties, and forced abortions (often late in pregnancy) for refusal to comply;

Whereas this one-child-per-family policy, implemented by the use of forced abortions and involuntary sterilizations, has been used against ethnic minorities and peoples, such as the Tibetans by Chinese authorities in Tibet;

Whereas as a direct result of this one-child-per-family policy, the incidence of female infanticide in the People's Republic of China has escalated, particularly among those living in rural areas who regard a male as vital to their economic well being and a source of financial security in retirement;

Whereas the one-child-per-family policy of the People's Republic of China makes use of a repressive "birth quota" system that empowers family planning workers to dictate to couples if and when they may have the one child permitted under the policy;

Whereas the People's Republic of China's family planning workers violate a woman's right to privacy by monitoring private details of a women's life, including the onset of menstruation in order to track compliance with the one-child-per-family policy;

Whereas numerous reports by social scientists and by journalists associated with the Washington Post, the New York Times, the Wall Street Journal, the Public Broadcasting System "Nova" series, the Columbia Broadcasting System's "Sixty Minutes" and other media, have documented pervasive reliance by local People's Republic of China officials on forced or coerced abortion in order to achieve birth quotas for specified areas;

Whereas reports indicate that, as a result of the one-child-per-family policy, tens of millions of unborn children have been killed by abortion in the People's Republic of China;

Whereas the policy of the Department of State for the 1984 International Conference on Population stated that, "Attempts to use abortion, involuntary sterilization, or other coercive measures in family planning must be shunned, whether exercised against families within a society or against nations within the family of man", and the United Nations Declaration of the Rights of the Child issued in 1959 calls for the legal protection of children before birth as well as after birth;

Whereas at the Nuremberg war crimes trials, forced abortion was regarded as a "crime against humanity"; and

Whereas while "official" People's Republic of China policy forbids infanticide, prosecution has been virtually nonexistent except in a few token cases: Now, therefore, be it

*Resolved by the House of Representatives (the Senate concurring),* That the Congress—

(1) strongly condemns the continued violations of human rights by the Government of the People's Republic of China, including—

(A) the one-child-per-family policy adopted in 1979 that relies on coercion, economic penalties, and forced abortions (often late in pregnancy) as a means of enforcing compliance;

(B) the continued use of a repressive "birth quota" system that empowers the authorities to dictate to couples if and when they may have a child; and

(C) the use of forced abortions and involuntary sterilizations of Tibetans by Chinese authorities in Tibet;

(2) affirms internationally recognized basic human rights, such as—

(A) the conclusion made by the 1981 United Nations Symposium on Population and Human Rights that compulsory abortion is a violation of human rights; and

(B) the declaration made at the Nuremberg war crimes trials that forced abortion be regarded as a "crime against humanity"; and

(3) asks that the President and the Department of State—

(A) raise the concerns expressed in this section with the Government of the People's Republic of China, and

(B) call upon the Government to cease immediately this repressive policy.

## INTRODUCTION OF A BILL TO AUTHORIZE ISSUANCE OF A CERTIFICATE OF DOCUMENTATION OF THE VESSEL, MV "NORTHERN VICTOR"

### HON. EARL HUTTO

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. HUTTO. Mr. Speaker, I am pleased to introduce today, legislation that would authorize issuance of a certificate of documentation for the vessel, MV *Northern Victor*—formerly the *Ocean Cyclone.* This legislation would allow the vessel MV *Northern Victor* to be authorized to operate in the U.S. coastwise and fisheries trades for purposes of acquiring, purchasing, processing, and transporting fish and fish products. This bill has the same purpose as H.R. 4625, which was favorably reported to the House by the Committee on Merchant Marine and Fisheries, and S. 2417, which was passed by the other body, during the 100th Congress.

Mr. Speaker, the need for enactment of this legislation is even greater today than it was last year. Documentation of the MV *Northern Victor,* as authorized by this bill, would provide vitally needed U.S.-flag and U.S.-built processing capacity to our burgeoning American fisheries. Without this vessel, and other motherships like it, scores of American catcher boats will be forced out of business, as foreign processing ships are displaced by the growing fleet of U.S. catcher/processors which does not provide a market for the many small American harvesting vessels. Although I very much welcome the success of our catcher/processor vessels, I believe that we must also provide for the survival of catcher boats, allowing needed motherships to enter the fisheries.

In 1980, Congress provided a 2-year window to allow U.S. Government surplus vessels, such as the MV *Northern Victor,* to be documented as motherships; however, the scope of the problem we face today was not understood. Indeed, at that time, the MV *Northern Victor* and several other vessels

were committed to other purposes. Since 1982, and particularly in recent months, Congress has responded, on a case-by-case basis, to the increasingly urgent need for additional at-sea U.S.-flag and U.S.-built fish processing capacity.

With enactment of this bill, the MV *Northern Victor,* which was built in the United States, will undergo a $8 to $10 million conversion in an American shipyard. The vessel will then be employed in the American fisheries, with a crew of between 120 and 200 people and a payroll of $8 to $10 million annually. The MV *Northern Victor* will provide a market for at least four U.S. catcher boats.

Mr. Speaker, this is a noncontroversial and important measure which will greatly benefit our American fisheries. I urge its prompt consideration and enactment.

## THE ARREST OF CZECH PLAYWRIGHT AND ACTIVIST VACLAV HAVEL

### HON. THOMAS M. FOGLIETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. FOGLIETTA. Mr. Speaker, I rise today to call attention to the plight of internationally recognized Czech playwright Vaclav Havel. As many of my colleagues know, Mr. Havel was arrested on January 16—along with eight other activists—while trying to lay flowers in Prague's Wenceslas Square at a rally commemorating the death of student Jan Palach 20 years ago. While Mr. Palach set himself on fire in protest of the Soviet-led invasion of his country, Mr. Havel has already spent a total of 4½ years in prison for his activities as a founding member of the Charter 77 human rights organization.

Vaclav Havel holds numerous awards for his works. However, though these have been both produced and published abroad, they have been banned since 1969 in Czechoslovakia.

Mr. Havel is a symbol of hope in Czechoslovakia, having turned down the chance to emigrate to the United States in 1979 out of a dedication to improving the human rights situation in his native country. He has been nominated for the 1989 Nobel Peace Prize by the Commission on Security and Cooperation in Europe—Helsinki Commission.

The United States must make clear to the Government of Czechoslovakia that we are aware of the human rights violations publicized by Charter 77, and epitomized by the arrest of Mr. Havel. Certainly, continued human rights violations will adversely affect efforts to increase ties between the United States and Czechoslovakia.

I join many of my colleagues—and Americans throughout our Nation—in urging the Czech Government to observe Mr. Havel's right to freedom of expression, both by releasing him from prison and by allowing the publication of his works in Czechoslovakia. As the Cold War thaws, I hope that the Czech Government will observe the human rights of all its citizens, and that our two nations will be able to establish friendlier and more productive relations.

## THE NOMINATION OF TERENCE TODMAN AS UNITED STATES AMBASSADOR TO ARGENTINA

### HON. RON de LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. DE LUGO. Mr. Speaker, once again it gives me great pleasure to pay tribute to Hon. Terence Todman, a native of St. Thomas in the U.S. Virgin Islands, who has just been nominated for his sixth ambassadorial post, as United States Ambassador to Argentina.

Terence Todman is now in his 37th year of a very distinguished career with the Department of State. His achievements in international diplomacy are a source of enormous pride to my people in the Virgin Islands. Throughout his career, from his beginnings as a desk officer to his climb to the rank of Career Minister, he has served his country with dedication and vigor.

He is now in the top tier of an elite profession in the U.S. Foreign Service, but he continues to keep up close ties to his home in the Virgin Islands where he is an active leader on the board of trustees of our university. His entire family—his wife, Doris of St. Thomas, who has been his devoted partner, and his children, Terence, Patricia, Michael, and Kathryn—also remain well-known and well-liked by their many friends in the Virgin Islands.

Ambassador Todman has now served his country well as Ambassador to Chad, Guinea, Costa Rica, Spain, and Denmark. He also served as Assistant Secretary of State for Inter-American Affairs. His outstanding service as Ambassador to Spain was deeply appreciated by that country, which awarded him one of its highest honors, the Grand Cross of the Highest Order of Isabela la Catolica in 1983.

He served for 5 years as Ambassador to Denmark, where he became a widely admired and popular figure, and established the longest tenure of any United States envoy to that country. His service to Denmark is particularly poignant for Virgin Islanders because the United States acquired our islands from Denmark in 1917 after we had been a Danish colony for well over 200 years. Terence Todman's appointment as Ambassador to that country brought the Virgin Islands full circle in its relationship to Denmark and symbolized the great progress we have made as citizens of the United States.

Following his Senate confirmation, Ambassador Todman will face new challenges as the United States envoy to Argentina, which is struggling to move toward democracy. I am sure he will handle those challenges with great talent and success. With his intellectual ability, principled belief in democracy, and simple human compassion, he truly represents the best that the United States has to offer in its foreign relations.

## CIVILIAN REMOTE-SENSING PROGRAM

### HON. ROBERT J. MRAZEK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. MRAZEK. Mr. Speaker, it is with great satisfaction that I have introduced the International Security and Satellite Monitoring Act of 1989. The bill, as I will soon discuss, is both timely and comprehensive.

I will also take this opportunity to explain in some detail the different sections of the bill. Remote-sensing of the Earth by satellites is often an emotionally charged and complicated subject. Therefore, it is only natural that misperceptions could exist regarding the intent of my legislation.

But first, I would like to review a bit of history so that all Members can better understand the importance of developing a comprehensive remote-sensing policy as it relates to the security interests of this Nation and where they may intersect with the national security needs of all nations of the world.

Over 30 years ago, President Eisenhower offered a visionary proposal to reduce superpower tension and mistrust called open skies or mutual inspection for peace. In 1955, open skies as envisioned by the President would entail an exchange of blueprints detailing military installations in the United States and Soviet Union. The shared information would be verified by reconnaissance planes of both nations. Unfortunately, open skies was politically immature in that era, and Nikita Khrushchev rejected Eisenhower's offer.

However, in the changing turbulent environment of the middle and late 1950's, the United States had an overriding interest in understanding the world it was confronting. President Eisenhower had little choice but to develop classified reconnaissance systems to monitor the Earth. Without a doubt, classified surveillance capabilities have proven to be a stabilizing element in world affairs. Common sense demands that these operations continue in defense of U.S. national security.

In 1972, the United States launched the Earth resources technology satellite, later renamed Landsat. Landsat represented a new initiative in information gathering and dissemination in the open domain. Of the five satellites that have been launched, each has obtained greater amounts of information on the state of our planet and has addressed human needs, particularly with respect to managing global resources and the environment.

Our Nation's leadership and success in this arena, along with the policy of nondiscriminatory access to remotely sensed images, helped ignite a proliferation of remote-sensing technology. By the year 2000, it is projected that 24 nations or multilateral organizations will have launched 40 to 50 satellites, a development which suggests that in the future cooperative endeavors will become increasingly attractive and necessary.

The Soviet Union has also started to commercially sell, on a limited basis, high-resolution photography and recently endorsed the concept of an international satellite monitoring

agency, a proposal first offered by the French in 1978 to the United Nations. It should also be pointed out that both the United States and the Soviet Union joined forces to table that proposal.

In addition to the tremendous changes that have taken place in the field of remote-sensing, the world has also undergone a quiet but unprecedented evolution. In the last 30 or more years, science and technology has produced and accelerated untold changes. Everything from superpower relations to the planet's ecosystem is being reshaped in ways not quite understood.

Moreover, an explosion of information technology is moving all nations inexorably into a new era of international openness. Is there any doubt that the United States, a nation founded on the principles of democracy and openness, can best adjust to this information revolution?

All told, a transitional phase in international security and world affairs is clearly at hand. If the United States is to understand and manage the dynamics of global change, information acquired by overhead observation satellites will play an increasingly important role. A significant database, such as the one Landsat has accumulated over the last 16 years, is indispensable.

In our current era of global changes and challenges, military strength will continue to represent one element of a larger national security strategy. U.S. intelligence capabilities, both classified and unclassified, will play an equally critical role. Therefore, our national security strategy should strive to include and maximize nonclassified remote-sensing systems.

The combination of expanded satellite remote-sensing capabilities and national security needs suggests that the time has come to rethink the original open skies concept so an information policy can be fashioned which will increase international security and stability.

U.S. leadership in the development and exploitation of civilian remote-sensing technology is also on the wane. Very recently, our Government nearly shut down two operational Landsat satellites. The official reason given for such a drastic action was insufficient funding. In reality, I believe the roots to this possible action can be traced all the way back to our Nation's inability to make a strategic commitment to our civilian remote-sensing systems. For too many years now, we have operated either without a policy or focused our entire efforts on only one small aspect of remote sensing, namely the effort to commercialize the Landsat system.

But now that the information age is upon us, we will have to consider and develop a fully integrated strategy concerning remote sensing of the Earth. Today, open skies would entail the sharing of information, gathered by nonclassified observation satellites, on both a national and international basis, regarding environmental and economic development concerns, certain military activities, the usage of global resources, and to facilitate emergency and natural disaster planning and management.

Another part of open skies would entail the development and articulation of a coordinated civilian remote-sensing policy. For instance, much attention has been recently given to Landsat; however, Landsat is only one remote-sensing program. A clear and interrelated role must also be specified for satellites which will observe the oceans and atmosphere.

Finally, cooperative endeavors would be a key ingredient of any revised open skies policy. Open skies would encourage nations with closed systems of government, such as the Soviet Union, to become more open. The real world security challenges facing the United States would be more easily understood and more effectively addressed. In short, data collected by civilian remote sensing satellites in the information age will, as Dr. Ray Cline, former Deputy Director of the CIA recently stated, "determine who wins and who loses geopolitically, more, even than missiles and guns."

The unlimited potential of a revised open skies policy to increase international security and stability should be balanced by an equal amount of realism. Significant hurdles must be addressed before, during and after implementation. There are many unanswered questions.

For instance, will the U.S. intelligence gathering and defense operations benefit from an open skies concept that addresses our changing national-security requirements in the near and far term? Second, will scientific and commercial remote-sensing endeavors flourish or decline if a broad strategic emphasis is attached to our civilian Earth-observation assets? Third, what type of institutions will have to be formed to best exploit these open information sources? Fourth, and finally, can global climate change studies serve as a model for the future conduct of world affairs, as well as promote an integrated U.S. remote-sensing policy?

Taken together, the above questions establish a context for a national debate on the convergence of expanded national-security requirements and the role of space-based observations. At this point in time, I do not know all the answers to these complex questions. However, I strongly believe the potential security, scientific, commercial and economic benefits associated with a revised open skies policy are so great that we can ill-afford to ignore them. A process should be initiated that brings together all concerned parties to debate and discuss this issue in a responsible manner.

Therefore, my legislation would take a small but important step toward initiating a national debate on open skies by establishing a national commission to examine three interrelated policy questions as specified in section 4(a) of the bill:

First, determine how a revised open skies policy could enhance the national security strategy of the United States;

Second, review the status of the civilian remote-sensing programs of the United States and then offer a series of recommendations toward developing a long-term, coordinated policy; and

Third, study areas in which the sharing of information collected by civilian remote-sensing satellites, cooperatively employed along with other open information sources, could increase international security and stability.

The principal thrust of the third point will be the roll Earth-observation satellites could play in understanding and managing global environmental change, particularly with respect to promoting sustainable economic development. However, when satellites image the Earth, they do not see just civilian or military features of society, but rather everything at once.

It is my belief that military intelligence gathered by nonclassified Earth-observation satellites need not be treaty specific or processed as soon as the satellite observes certain features on Earth or in near real-time to be effective. While arms reduction or limitation treaties should be pursued as part of an integrated strategy, it is equally clear that such treaties rarely influence the international behavior of nations.

However, our public diplomacy efforts can only be enhanced if a greater understanding is struck between government and its citizens regarding the military threat our Nation faces now and into the future. Real-time imagery is not needed to accomplish this goal. Moreover, images acquired by Landsat and SPOT are already used to monitor with limited effectiveness the deployment of nuclear and conventional arms, the proliferation of chemical and biological weapons and regional conflicts. The expected improvements in resolution capabilities for future civilian satellites will increase the amount of military intelligence gathered by civilian Earth-observation satellites. In short, the challenge is to develop a synergistic relationship between our nonclassified and classified intelligence gathering satellites.

In addition, peace-keeping efforts will be promoted by information gathered by Earth-observation satellites through enhancing the management and usage of Earth resources. In the not-too-distant future, wars may well be fought over water and the destruction or misuse of other natural resources.

In section 4(b) of the bill, the commission will be instructed to examine certain factors and considerations. I believe they are equally important. These factors include:

First. The impact of global developments on the national security requirements of the United States;

Second. The impact of a revised open skies concept on the defense and intelligence gathering operations of the United States;

Third. The desirability of establishing an institutional structure to disseminate information gathered by nonclassified observation satellites and coordinate civilian remote-sensing programs;

Fourth. How an integrated national remote-sensing program would affect the efforts to commercialize the Landsat system;

Fifth. Possible joint ventures for investment in the future operation of Landsat;

Sixth. How the sharing of information gathered by nonclassified remote-sensing satellites can help to promote greater openness and the restructuring of military forces on the part of the Soviet Union;

Seventh. The international economic impact of sharing information gathered by nonclassified remote-sensing satellites:

Eighth. The degree to which satellite monitoring arrangements would complement established programs within the United Nations;

Ninth. The technical advances and costs associated with improved data processing capabilities; and

Tenth. Such factors as the commission considers appropriate.

Can there be any doubt that with these guidelines in place, such a commission would be of great service to our Nation? Given global developments, can the United States afford not to develop a coordinated plan to fully exploit all of its intelligence assets?

Therefore, I hope my colleagues and the Bush administration will closely examine my bill and strongly support it. It is not the only option we have to right our civilian remote-sensing program, but I believe it represents the kind of comprehensive approach that has been lacking for the last 16-plus years. The possible demise of Landsat is a prime example of having a nonintegrated policy. We can and must do better. Now is the time to set forth on a different course.

## A TRIBUTE TO GERALD E. MEARS

### HON. C. THOMAS McMILLEN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. McMILLEN of Maryland. Mr. Speaker, I rise today to pay tribute to a dedicated teacher and coach from Anne Arundel County, MD. In 1988, Meade High School coach and athletic director, Jerry Mears, died after a 2-year battle with cancer. Jerry had come to emulate everything we've come to expect from an educator and leader of young people.

After 10 years at Arundel High School, Jerry came to Meade High School in 1976. At that time, Meade had no athletic department, so it was Jerry's job to start it from scratch. From 1976 to 1988 Meade's athletic department grew to 18 different boys and girls sports, all of which relied on Jerry for everything from scheduling the games to keeping the playing fields safe. During his time he was recognized many times as coach of the year and was selected by his peers to serve as the county's representative in the Maryland Coaches Association.

But what I'll remember most is Jerry's quick smile. Over the years, thousands of young people were touched by Jerry's caring hand and wise guidance. He was a quiet man, but a determined educator and coach. Even in the last years of his life Jerry continued to make a contribution to others. While at Johns Hopkins Hospital, Jerry underwent experimental treatments, knowing that it probably would not improve his condition, but would add to researchers' knowledge, and might eventually help other cancer patients.

This month Meade High School will dedicate a new gymnasium in Jerry's name. It is fitting that the new gym bear his name so that we remember all that he gave us.

## RECOGNIZING FIRST BAPTIST OF TECUMSEH ON ITS 150TH ANNIVERSARY

### HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. PURSELL. Mr. Speaker, today I rise to mention an important year-long celebration taking place in one of the town's in my district. The First Baptist Church of Tecumseh, MI, is celebrating its 150th anniversary throughout this year.

Established in 1839, the First Baptist Church of Tecumseh has served the spiritual needs of the hundreds who have passed through its doors. This church continues to be one of the important foundations within the community.

I am told that some 33 men have served in the First Baptist's pulpit during its 150 years, and that three buildings have served as home.

The early history of the church is marked with people who, although short on financial resources, were strong in spirit. The early Baptists of Tecumseh survived some difficult times but always pushed forward.

One of the bleakest hours may have come in 1862, when a suggestion was made that the church disband because of financial strains. Rather than give in, members of the church renewed their faith and committed to constructing a new building—which was dedicated just 3 years later in 1865.

The church building which was created as a result of that revival still stands at the corner of Chicago Boulevard and Union Street in Tecumseh. It served as First Baptist's home for 107 years.

Most notable among the past ministers was the Reverend B.O. Bashore, who served in the First Baptist pulpit from 1943 to 1973—a ministry which spanned 30 years.

Today the congregation is led by Rev. Kenneth Boyd, who took over after Reverend Bashore's retirement in 1973.

First Baptist of Tecumseh has come a long way since its first days of meeting in houses and rented rooms. And I'm certain it will continue to grow and meet the needs of its members in the years to come.

Mr. Speaker, I ask my colleagues to join me in wishing First Baptist of Tecumseh the very best as they celebrate this historic milestone, their 150th anniversary.

## TRIBUTE TO EUGENE H. WEBB

### HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. RANGEL. Mr. Speaker, I rise today to honor and pay special tribute to one of New York City's most outstanding and influential black entrepreneurs, Eugene H. Webb, chairman of the board of Webb & Brooker, Inc., a Harlem-based real estate management and brokerage firm.

Mr. Webb has been selected to receive the second annual Black History Month Business Award in recognition of his remarkable achievements as one of the city's most prominent businessmen.

George Russell, Jr., chairman of New York City's Black Business Advisory Board, praised Eugene Webb for his significant achievements in the business arena calling Webb & Brooker, Inc. "a model of successful free enterprise and aggressive community economic activism in motion." The city established the Black Business Award last year to salute black business owners and their important contributions to their community and the city's overall economy. I cannot think of anyone more deserving of this honor.

Mayor Edward Koch also praised Webb and his company saying that they "symbolized the success of the black business community and the health of the overall business climate in New York City," adding that Webb was a positive role model for minority youth because of his involvement in a variety of community activities.

Mr. Webb has 40 years of experience in the real estate field and is a licensed real estate broker in New York State. Webb & Brooker, Inc. is a 20-year-old real estate sales, brokerage, and property management firm which is also involved in the Harlem residential real estate market. He currently serves on the board of directors of Freedom National Bank where he is chairman of the executive committee; the Greater Harlem Real Estate Board; the New York City Chamber of Commerce and Industry; and the New York City Partnership.

Mr. Speaker, the success of Eugene Webb and Webb & Brooker, Inc. serves as a light of inspiration to all the black business community. His many accomplishments and diligent endeavors have surely helped to encourage and foster economic growth and entrepreneurship throughout the city of New York. I ask my colleagues to join me in commending one of New York City's finest businessmen, Eugene H. Webb.

## THE C.S.S. "ALABAMA"

### HON. ROBERT W. DAVIS

OF MICHIGAN

### HON. WALTER B. JONES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. DAVIS. Mr. Speaker, today we have introduced a bill which both celebrates and protects one of the most significant vessels of the Civil War—the C.S.S. *Alabama.*

As reported by Roger L. DeMik, the C.S.S. *Alabama*, a 1,040-ton steamer, was commissioned by the Confederate President Jefferson Davis and launched in 1862. Built in England, the vessel was designed as a type of pirate raider in hopes that the Union would divert its ships from port blockades, to protect Federal commercial vessels from attack.

For nearly 2 years, the C.S.S. *Alabama* was victorious in 65 skirmishes with mostly Union ships, haunting the eastern shore of the United States and frequenting waters from the North Atlantic to the Indian Ocean. However, after nearly 22 months at sea without repairs,

the *Alabama* was in dire need of refitting. The vessel sought a safe harbor at Cherbourg, France, where French authorities were not anxious to assist the notorious raider. In addition, the U.S.S. *Kearsarge* had been called from Holland by United States officials in Paris to bottle up the Confederate ship at port until other Union vessels could arrive to finish her off.

In a desperate move, the captain of the C.S.S. *Alabama*, Raphael Semmes, challenged the U.S.S. *Kearsarge* to battle. Semmes had earlier served as the captain of another ill-fated American vessel, the U.S.S. *Somers,* which was lost in a storm off the Mexican coast in 1846. On June 19, 1864, the *Kearsarge* and the *Alabama* met off the port of Cherbourg, as nearly 17,000 French citizens lined the bluffs to watch. After an hour of shots exchanged, the C.S.S. *Alabama* faltered and sank, guns still firing. Nineteen sailors, mostly British, lost their lives in the battle, and another 21 were wounded.

This stirring episode is more than of historic note. The *Alabama* and other Confederate raiders left a deep impression on the conduct of the American merchant marine. Because the Confederate ships concentrated their raids on Federal ships, many American commercial shipowners switched their vessels' registries to foreign nations. In addition to the 200 vessels which were demolished by Confederate private ships and thus lost to American commerce, the remaining vessels did not transfer their registries back to the United States after the Civil War ended. This practice has continued.

Salvage attempts of this important relic began almost immediately after her demise, egged on by unsubstantiated reports that she had gone down with treasure on board. These activities continued without success, mainly due to equipment limitations, until the 1980's. Although it is somewhat in doubt, it appears that the first definitive location of the sunken wreck occurred in 1984 by the French Navy. The current position of the C.S.S. *Alabama* is approximately 3½ to 4 miles from the Cherbourg shore in French territorial waters.

Many groups of diverse nationality have demonstrated some interest in exploring the C.S.S. *Alabama.* The British, whose interest stems from the construction site of the vessel as well as the nationality of her crew, have developed plans to erect a maritime museum at the *Alabama*'s building site with the vessel as its centerpiece. A French naval officer, Capt. Max Guerout, has attempted to pull together an international coalition of maritime experts to recover the ship under the auspices of the French Government. The captain's plans apparently include a small museum at Cherbourg. Finally, Americans, including noted author Clive Cussler—"Raise the Titanic," have generated interest in preserving the vessel for U.S. interests.

Despite these claims, or perhaps because of their conflicting nature, the French Government has wisely deterred any diving expeditions on the C.S.S. *Alabama,* and has protected the few artifacts which had been taken from the ship earlier. At present, the United States has indicated to the French that it considers the vessel one of its own, that it has not relinquished its title to this government vessel, and that no salvage operations or other activities should occur without United States permission. The French, on the other hand, are of the view that the C.S.S. *Alabama* is within its territorial sea and under international law the French Govenment can therefore restrict access as an element of its sovereignty. In addition, it should be noted that French national security concerns are involved as Cherbourg is the home port of several nuclear submarines.

The bill we have authored is an attempt to break this legal logjam, and encourages the United States and French Governments to work together to preserve the C.S.S. *Alabama.* It explicitly asserts the U.S. ownership in the vessel, directs the Secretary of State to enter into negotiations to preserve the historic values of the vessel, and recognizes the expertise of the National Oceanic and Atmospheric Administration and the National Park Service in maritime archeological matters. Finally, the bill requests a report on the negotiations as they proceed.

The intent behind the bill is to support the current U.S. efforts to determine the fate of the *Alabama,* and is not in any way intended to impede negotiations. If the State Department is successful in reaching a satisfactory outcome regarding the fate of the C.S.S. *Alabama*, perhaps Congress can consider a broader application of the principles exhibited in our bill to all U.S. Government ships now sunk in foreign waters.

The C.S.S. *Alabama* has been identified by American Heritage magazine as one of the seven most important naval vessels in U.S. history, and its preservation is of utmost importance. We urge the support of our colleagues in this matter and look forward to working with the other committees of jurisdiction on passage of the bill.

## AVIATION CAREER IMPROVEMENT ACT OF 1989

### HON. HERBERT H. BATEMAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. BATEMAN. Mr. Speaker, few issues facing the Congress in the coming years are more difficult and complex than the question of what can be done to best ensure the retention of qualified pilots on active duty in the military. The expanding airline industry, in combination with an already existing worldwide shortage of pilots, has produced unprecedented pressure on military pilots to opt for a civilian career. The effects of this situation can already be seen. Both the Navy and the Air Force project significant pilot shortages in the next few years. The airlines anticipate hiring 5,000 to 6,000 new pilots per year through the end of the decade, and former military pilots already comprise up to 95 percent of the new hires of some commercial airlines. In view of the millions of dollars spent in the training of each pilot, our Nation simply cannot allow the exodus of pilots from our armed services to continue unabated.

The Subcommittee on Military Personnel and Compensation regards improving pilot retention as a top priority. In hearings with line pilots in the field and with senior military leaders, the subcommittee has learned firsthand about the nature and scope of the pilot retention problem, and the time for legislative action to remedy the situation is now. This bill, a companion to S. 653 introduced by Senators GLENN and MCCAIN, presents a cogent solution. Although fine tuning will inevitably be necessary, this legislation nevertheless is an important mechanism by which to address this most critical issue.

## FRANK FRONHOFER OF SALEM WINS THIRD WRESTLING TITLE

### HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. SOLOMON. Mr. Speaker, last year Members joined me in saluting Frank Fronhofer of Salem, NY, for winning his second State wrestling title. I predicted then that I might be back in a year to announce a third State title for this outstanding young athlete.

Earlier this month, Frank Fronhofer beat Juan Carlos Garcia of Sleepy Hollow, 5–3, to become the 1989 New York State wrestling champion at 105 pounds, and one of only roughly a half-dozen wrestlers to earn three titles.

Mr. Speaker, there are many sides to young Mr. Fronhofer. He is expected to enter Harvard University this fall, which is not known as a national wrestling power. But he is a student-athlete in the classic tradition. He excels in the most demanding of sports, a sport that builds character and self-reliance.

As the father of two former high school wrestlers, I am familiar with those demands the sport makes on its participants. We can be sure that Frank Fronhofer will excel at everything he attempts.

Salem head coach Mike Poplaski and assistant coach Frank Fronhofer, Sr., the boy's father, have made their small rural school a wrestling power, even in so-called rebuilding years. Such a record is a tribute to the old-fashioned virtues of hard work and sacrifice. We are extremely lucky to have such adult role models and guides for our young people.

And so, Mr. Speaker, it is my pleasure to pay tribute, once again, to Frank Fronhofer, a credit to his parents, his sport, and his school.

## TRIBUTE TO THE HONORABLE ROBERT A. ROE, DEAN OF THE NEW JERSEY DELEGATION

### HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. FLORIO. Mr. Speaker, it is with great admiration that I rise today on behalf of myself and six other Members of the New Jersey delegation: Hon. WILLIAM J. HUGHES, Hon. FRANK J. GUARINI, Hon. BERNARD J. DWYER, Hon. ROBERT G. TORRICELLI, Hon. FRANK PALLONE, Jr., and Hon. DONALD M.

PAYNE, to pay tribute to an outstanding legislator whose work ethic and ability to get the job done are legend here in the U.S. House of Representatives.

I am referring, of course, to the dean of our congressional delegation, the Hon. ROBERT A. ROE, who, for the past 20 years has represented New Jersey's Eighth District, doing the kind of job that has truly become a yardstick by which we could all measure our performance in serving the people of our districts and our Nation.

On April 13, 1989, BOB ROE will be honored by his colleagues, his family, and his multitude of friends with a dinner at the Westmount Country Club in West Orange, NJ, celebrating his new status as dean of the New Jersey congressional delegation. In addition, I know that this event will also enable many of us in New Jersey to say thanks to BOB ROE for all he has done, not just for his home State, but for our Nation as well.

Mr. Speaker, we are truly fortunate to have Congressman ROE as dean of our delegation, for he has fought and won legislative battles on so many vital issues that we are all truly better off for his service in the U.S. House of Representatives. It was a great honor and pleasure for me to work with BOB on the Superfund reauthorization so that we can begin the job of cleaning up the toxic wastes that threaten our health and environment.

BOB ROE continued the fight for a cleaner environment when he wrote a strong Clean Water Act reauthorization in the 99th Congress. He has been a consistent and vigorous champion of issues relating to a wide range of peoples in our society; senior citizens, veterans, the disadvantaged, and many others who know they have a true friend and advocate in the U.S. House of Representatives in ROBERT A. ROE. In his role as chairman of the House Science, Space, and Technology Committee, BOB ROE has been instrumental in helping get the U.S. space effort back on track and restoring national pride to this immensely important program.

Beyond all of this, Mr. Speaker, most of us have come to know BOB ROE as one of the most hard-working, diligent Members of the U.S. Congress. And even without our outwardly expressed admiration for Congressman ROE, his string of accomplishments in many diverse legislative areas would most certainly by themselves tell us all we need to know about his ceaseless efforts as a truly fine legislator and representative of the people of New Jersey and our Nation.

Mr. Speaker, I invite you and our colleagues to join me in saluting Congressman ROBERT A. ROE for his continued vigorous leadership as a representative of the people of the Eighth District of New Jersey, as chairman of the House Science, Space, and Technology Committee, and as dean of the New Jersey congressional delegation.

## SPURRING RESEARCH AND EXPERIMENTATION

### HON. MICHAEL A. ANDREWS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. ANDREWS. Mr. Speaker, we took an important step to enhance our economic well-being with the introduction on March 15, of H.R. 1416, the Research and Experimental Tax Credit and Extension Act of 1989. I am proud to be an original cosponsor of this measure.

Research and experimentation [R&E] is critical to U.S. international competitiveness. We cannot compete successfully based on labor costs. U.S. companies must create, develop, and market new and improved products. Our continued prosperity requires innovation and technological breakthroughs which only vigorous, growing research and experimentation can provide. Since technological innovation is the single most important factor behind productivity growth, we make a direct contribution to our future standard of living by spurring R&E. The tax credit makes a significant contribution to this goal.

The R&E tax credit applies to expenditures that are an increase from prior spending, thus stimulating more R&E by U.S. industry. Companies that are experiencing economic problems are encouraged to maintain long-term investments that they might otherwise forego during hard times. Investments in important projects may be speeded up as well. This can be crucial to the success of certain ventures in a marketplace where a short lead can be a make or break issue.

The tax credit has been temporary to date, limiting its incentive value when managers must make tough decisions about promising but expensive multiyear research. Changes to the credit over the years also have diminished its inducement to greater R&E. These problems are addressed in H.R. 1416 by making the credit permanent.

One of the key provisions of H.R. 1416 is its application to startups, both new companies and new lines of business within existing firms that especially need the incentive effect of the credit. U.S. technological leadership depends on fostering the growth of new companies which have been responsible for so many key breakthroughs.

I look forward to working with my colleagues to move H.R. 1416 through the legislative process in an expeditious manner.

## SENSE OF THE CONGRESS RESOLUTION ON MEDICARE PHYSICIAN REIMBURSEMENT REFORM

### HON. JIM SLATTERY

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. SLATTERY. Mr. Speaker, the existing Medicare physician reimbursement system has a negative effect on the ability of rural communities to attract and retain physician's services. Presently doctors can earn more money in big cities than they can in many rural communities. For example, the reasonable charges of some Medicare services vary by as much as 200 percent between geographic areas.

This is contributing to the problem rural hospitals have in recruiting and retaining doctors. I feel strongly that Congress must act to correct these discrepancies between urban and rural fees.

For these reasons, I and a number of my concerned colleagues are introducing a sense of the Congress resolution stating the need to reconcile the existing disparity between rural and urban physician fees under the Medicare Program.

I realize that some changes in physician reimbursements are being developed, but those changes will not be available for some time.

The crisis in rural health care cannot wait.

We must seize this opportunity to institute a more equitable physician reimbursement system. Geographic discrepancies in today's reimbursement system must be reduced and physicians should be reimbursed under one payment rate.

On March 2, 1989, I introduced H.R. 1271, a bill which provides a specific approach for dealing with the existing disparity between rural and urban physician fees under the Medicare Program. At the same time it addresses the differential between specialty and general practicioner Medicare reimbursement fees. I hope my colleagues will review and support this legislation which is an immediate, positive, and necessary step toward addressing the Medicare reimbursement problems that rural physicians and hospitals are facing.

## CHANGING ASSET FORMULA ESSENTIAL TO HELPING FAMILIES PAY COLLEGE COSTS

### HON. E. THOMAS COLEMAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. COLEMAN of Missouri. Mr. Speaker, while it is increasingly clear that America's future is dependent on quality education, most middle-income families are excluded from the Federal financial aid programs that could help them meet the rising costs of attending college. Although tuition and fees for private and public colleges and universities now average more than $8,000 per year, many middle-income American families are still not eligible for Federal financial assistance.

This critical situation is the result of current law that requires families to count the value of their homes, family farm or small business in determining what the family can contribute toward a child's college education. In many cases, these are the only assets of value the family possess, yet because of their appreciated value they place even families of very modest income above current eligibility standards. This policy has the effect of forcing families to weigh their homes or livelihood against their children's education, and is unacceptable.

Mr. Speaker, this policy is particularly harsh on young people from our rural and farm communities. While I have worked to broaden educational and career opportunities for rural high school students through my access program, the current rules regarding asset value make even hard-hit farm families ineligible for Federal financial assistance. This is because current law calculates the value of land, livestock, farm machinery and other nonliquid assets into what a family can afford to contribute toward college costs. This policy is completely out of touch with reality.

For this reason I am today introducing the Family Educational Opportunity Act of 1989, legislation that will change the current financial aid formula and bring it in line with today's needs. This bill will exclude from the "expected family contribution" formula the net value of the family home, family farm, small business or other nonliquid assets in determining eligibility for need-based Federal financial assistance programs for postsecondary education. Eliminating such assets, to be defined by the Secretary of Education, will provide access to Pell grants and Stafford student loans for students from middle-income families who could not otherwise afford the rising cost of a college education.

It is estimated that an additional 200,000 dependent students will be eligible for Pell grants, the great majority coming from families with incomes between $20,000 and $40,000. This bill will also bring an additional 200,000 dependent middle-income students into the Stafford Student Loan Program, which was originally designed for this category of borrowers and who have shown the greatest propensity to benefit from the repay these loans.

This legislation will also simplify the determination of need in all major Federal need-based programs by excluding assets which are difficult to verify and which account for many of the errors that occur in determining eligibility levels for title IV programs.

Mr. Speaker, the Family Educational Opportunity Act of 1989 is aimed at America's middle-income families—farm families, small business families and homeowners—from whom college has been the traditional means of assuring their children's futures. These are the families who will contribute more than their fair share loans. But in the face of rising college costs these families must first have access to some forms of Federal financial assistance. This bill will provide that access.

## JEFFERSON CITY, MO'S UNIQUE PROGRAM COMMENDED

### HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. SKELTON. Mr. Speaker, I would bring to this body's attention a unique citywide program which is economically and environmentally beneficial. This is a program which utilizes trash bags made with degradable plastic. The program, which has been established in Missouri's capital city, Jefferson City, which is in my district, has cooperative efforts from the local government, the Missouri Corn Growers, Manchester Packaging Co., the makers of the degradable trash bags, and the Laidlaw Waste Systems, the disposal company.

This year each family will haul 2 tons of trash to the curb, most of it in plastic bags. The traditional plastic products take decades to break down in the soil, even the enclosed waste cannot break down efficiently. However, the degradable plastic bags, which are made with a mixture of polyethelyene resin and cornstarch, degrade faster. As a result this has created another market for Missouri's corn growers—a market which is beneficial to all of us.

I take this opportunity to commend those who are working so diligently in our State to get this "pioneer" program started. I applaud each of them for their commitment to our environment as well as their courage and foresight for looking into alternative methods more environmentally sound, methods of disposal.

## PETER L. CAVANAUGH—FRIEND TO LONG ISLAND

### HON. GEORGE J. HOCHBRUECKNER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. HOCHBRUECKNER. Mr. Speaker, I rise today to pay tribute to an outstanding individual whose civic and professional accomplishments have made Long Island a better place to work and live. That man is Peter L. Cavanaugh. Peter has been a leader of organized labor on Long Island for nearly half a century. He began as an apprentice with the United Brotherhood of Carpenters & Joiners of America in 1946 and has since held nearly every elected office within the Suffolk County District Council of Carpenters, including its presidency. Peter Cavanaugh has also served on the New York State Council of Carpenters and been active as an officer with the Long Island Federation of Labor.

Pete's retirement may bring the end of our many energetic discussions on the future of the Shoreham nuclear powerplant, but I am sure that I will hear from him on other topics. Such as increasing the Coast Guard budget to insure the safety of his little boat on the Great South Bay. However, regardless of whether he is putting about on his boat or helping the many community projects in which he's involved, I look forward to Pete's continuing advice and opinions on labor issues and politics on Long Island.

Peter Cavanaugh's contributions have made him an invaluable asset to the people of Long Island and I know that in retirement his efforts to improve our communities will continue unabated to the betterment of all.

## NORTH CAROLINA HEARING ON TORNADO FORECASTING AND SEVERE STORM WARNING

### HON. DAVID E. PRICE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. PRICE. Mr. Speaker, on March 3, the House Science, Space, and Technology Subcommittee on Natural Resources, Agriculture Research, and Environment conducted a field hearing in Raleigh, NC. The hearing was chaired by our colleague from New York, Mr. SCHEUER, the subcommittee's able chairman. The objective of the hearing was to examine the National Weather Service's ability to forecast tornados and issue severe storm warnings.

Representative TIM VALENTINE and I asked for the hearing after a November 28 tornado tore through nine North Carolina counties, most of them in our congressional districts, killing 4 people, injuring 157 others, and damaging approximately 1,000 homes and businesses. No warning or watch was issued by the National Weather Service prior to the touchdown of the tornado, and the weather radar at the Raleigh-Durham forecast office was inoperative at the time of the disaster.

The subcommittee heard from several witnesses who surveyed the damage caused by the November 28 tornado. They included Avery Upchurch, mayor of Raleigh; Brenda Moody, mayor of Rolesville; and Raymond Boutwell, manager of Franklin County. In addition, we heard testimony from local television meteorologists, Greg Fischel of WRAL-TV and Michael Caplan of WTVD-TV, who assessed the performance of the National Weather Service in forecasting severe weather and communicating tornado warnings efficiently and effectively.

The third panel of witnesses were representatives from the National Weather Service. They included Frederick Ostby, director of the National Severe Storm Forecasting Center in Kansas City; Ronald McPherson, deputy director of the National Weather Service; and Robert Muller, meteorologist in charge of the Raleigh-Durham Weather Service. These witnesses were able to provide an insightful assessment of the performance of the National Weather Service during the November 28 tornado. Their testimony provided disturbing evidence that the failure of the Raleigh-Durham weather radar is indicative of deeper problems at the National Weather Service. The agency's budget is stretched to the limit. They are suffering from serious personnel shortages, a lack of available spare parts, and outdated and obsolete technology.

The subcommittee concluded the hearing with testimony from two academic meteorologists who discussed new technologies and procedures to improve forecasting and warning systems. We heard from Charles Anderson, professor of meteorology at North Carolina State University, and Edward Brotak, professor of meteorology at the University of North Carolina-Asheville.

It was clear from the testimony received that the administration and the Congress must

give renewed attention to the modernization plans and budgetary needs of the National Weather Service. The hearing raised critical questions which we must take to the upcoming reauthorization hearings for the National Weather Service. With the recent announcement by Secretary Mosbacher that approximately 70 weather stations will not be closed this year, and the National Weather Service's recently submitted plan to Congress to modernize and upgrade its weather detection equipment, the administration has taken a step in the right direction. The events of November 28 have shown North Carolinians just how important it is to upgrade this agency's capacity and performance.

In closing, I want to compliment the witnesses on their fine testimony and thank especially Mr. SCHEUER for bringing the subcommittee to North Carolina. I look forward to working with him and other colleagues in the future on these important issues.

## RADIOACTIVE WASTE PROPOSAL

### HON. JACK BUECHNER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. BUECHNER. Mr. Speaker, I am pleased to report that earlier this week I announced a proposal to end an impasse over the disposal of radioactive waste in the St. Louis area. For the past several years, St. Louis and the Department of Energy have been grappling with the question of how to dispose of radioactive waste at Lambert International Airport and other locations near St. Louis.

Most attempts to resolve this problem, however, have been met with failure. As a result of this impasse, I have been informed that these sites may be included in the Superfund program as early as next month.

Clean up these waste sites through Superfund is an unacceptable option. Not only would Superfund be expensive—costing the city up to $140 million—but also time consuming. Although Superfund was enacted almost 8 years ago, only 43 of the almost 1,200 sites on the national priorities list have been acted upon—and the list grows by 400 per year!

That's why, having consulted with many of the north St. Louis County elected officials, I am introducing legislation to breathe some fresh air into this stale process.

Much of the controversy has centered over the Energy Department's insistence on ownership of the airport property before other disposal sites are explored. Therefore, my legislation will direct the Energy Department to first evaluate other sites—two in Missouri and others outside of the State—prior to any land transfer.

Further, my proposal contains built in safeguards to ensure the Energy Department reviews all alternate sites on an equal basis. It also provides for the selection of more than one site.

If, however, the airport site is chosen, the bill will permit only waste from north St. Louis County to be stored at that site. Additionally, the bill specifically states that no waste from other parts of the country may be brought to the airport site.

Some will contend that all the waste in the area should be stored at the airport. While I appreciate the concerns of such a proposal, I reject this statement because north St. Louis County should not be responsible for the radioactive waste in the surrounding areas. Furthermore, vast portions of north St. Louis County are contaminated because of the reckless manner in which transporters have dumped their waste at the airport and surrounding areas.

North St. Louis County residents have lived with this problem too long and it's time that all of us recognize that the airport should not be a low-level dumping ground.

## NATIONAL AFRICAN-AMERICAN HERITAGE MEMORIAL MUSEUM

### HON. JOHN LEWIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. LEWIS of Georgia. Mr. Speaker, today I am introducing legislation to establish a National African-American Heritage Memorial Museum. Please note that a number of my colleagues have joined me as original cosponsors of this measure.

As we all know, African slave labor built vital parts of this Nation. More than 125 years have passed since the signing of the Emancipation Proclamation and there has been very little acknowledgement or recognition of the contributions of African-Americans to the history and culture of American society. Therefore, I believe that the time has come to establish a national museum dedicated to collection, cataloging, conservation, and display of historical materials and artifacts related to the history of African-Americans.

The establishment of a national museum and the conducting of interpretive and educational programs dedicated to the heritage and culture of African-Americans would help to inspire and educate the people of the United States about the cultural legacy and contributions made by African-Americans to our society.

Throughout the Nation, there exist in various collections and archives, including collections at many historically black colleges and universities, many artifacts, papers, and objects of great significance in discovering and understanding the heritage and culture of African-Americans. The proposed museum would be a central place to display many of these valuable and historical materials. Thus, all Americans and visitors from around the world can gain a greater understanding of the contributions of African-Americans to this great Nation.

This museum to be located on a parcel on the Mall or a suitable Federal property in Washington, DC, will be loosely affiliated with the Smithsonian Institution. The museum board and administration are modeled after the Kennedy Center for the Performing Arts. It will be a semi-independent entity with a board of directors appointed by the President of the United States.

This legislation calls for the establishment of a National Trust for Black Museums. This entity would be responsible for collecting and acquiring articles handed down over generations. It would also be responsible for training and developing black museum professionals as well as other necessary programs to further the understanding of African-American history and culture.

This legislation calls for an authorization of $5 million in fiscal year 1990 to create an administrative structure for fundraising as well as the retirement of the debt already incurred for this effort.

Before I conclude, I would like to thank everyone who participated in the development of this legislation. I would like to give special recognition to Mr. Tom Mack, of the National Council for Education and Economic Development for his countless contributions and resources to this project.

Mr. Speaker, I call on my colleagues to support this ambitious but necessary project. We cannot let the vital contributions of African-Americans to this Nation continue to go unrecognized.

## INTRODUCTION OF THE CHILD INVESTMENT AND SECURITY ACT

### HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. MILLER of California. Mr. Speaker, all of the evidence is in about the crisis American children face and about what we must do to save them.

Each year we lose more than one-fifth of our children to poverty and millions more live at the edge of poverty. Young children who live in poverty are especially vulnerable. These are the people our bill seeks to help.

We have failed to protect 5 million very young, poor children from hunger, from ill health, and from illiteracy. Our failure is tragic and costly, to them and to us as a nation.

The Committee for Economic Development, composed of the leaders of Fortune 500 companies, estimates that each year's high school dropouts cost the country $240 billion in lost productivity and forgone taxes. If we fail to implement a strategy to stop this human and fiscal hemorrhage, the losses resulting from school dropouts during the Bush administration alone would amount to almost $1 trillion over their lifetimes.

We cannot rely on rhetoric. We must act. Today we have the knowledge that can dramatically reduce infant mortality, malnutrition, and developmental disability, while saving taxpayers billions of dollars. The only question is whether we will show the political courage to act on that knowledge and that evidence.

That's why I am introducing "The Child Investment and Security Act," along with Representative WAXMAN, who has been an ardent and committed leader in support of preventive health care for children, and 16 of our colleagues from the Select Committee on Children, Youth, and Families and other key committees affecting children.

This legislation establishes a comprehensive, multiyear plan to ensure that, by the end

of the Bush administration, every young child has the opportunity to enter the schoolhouse door healthy, and with full emotional and mental development.

But this bill is more than a blueprint for healthy children. It is a challenge to the Congress and to the Nation to meet our responsibility.

Report after report from government, universities, medical schools, and think tanks demonstrate that preventive investments in our youngest, most vulnerable children can save their lives—and save billions of dollars, too.

Every dollar invested in programs such as prenatal care, immunization, WIC, or Head Start saves at least $3 and as much as $10 in averted infant deaths, disability, disease, or school failure. Wall Street should have such a sterling investment record.

Those mothers and young children who have participated in these programs over the past two decades have made significant gains. But even the most highly regarded program—Head Start—shuts its door to 80 percent of the eligible preschoolers. Despite the record of success and cost-savings, 25 percent of pregnant women cannot get early prenatal care, and less than 50 percent of eligible low-income women, infants, and children participate in WIC.

The time has passed for more research, more analysis and more political posturing over whether or not we can afford to invest in these programs. We cannot afford to delay investing. Most of those American children who begin life with a preventable health, developmental, or educational problem and go untreated will contribute to the Federal deficit every day of their lives.

It will be too late in fiscal year 1994 or fiscal year 1995. The damage will be done in fiscal year 1990 and fiscal year 1991. The difficulty and the cost of efforts to reverse it grow higher and higher.

Our legislation follows the recommendations of the American Agenda, the Council on Competitiveness, the Committee for Economic Development, the National Commission to Prevent Infant Mortality, and the Institute of Medicine. And it implements the findings of the Select Committee on Children, Youth, and Families, which I chair.

The Child Investment and Security Act will provide for the essential policies for at risk mothers and babies:

Medicaid, the maternal and child health block grant, and the community and migrant health center infant mortality initiative will provide all pregnant women and infants living in families earning up to 200 percent of the Federal poverty level access to early, comprehensive, and accessible prenatal care and preventive infant health services.

Medicaid and the Childhood Immunization Program will provide all young children up to age 6 living in families earning up to 200 percent of poverty access to preventive and routine medical care, and all preschool children full immunization against serious childhood illnesses.

The special supplemental food program for women, infants, and children, by serving 300,000 additional participants each year, will provide high-protein food and nutritional guidance to virtually all eligible low-income pregnant women, infants, and children at nutritional risk.

Head Start, by serving 200,000 additional children each year, will serve all eligible, low-income children ages 3 to 5 who want comprehensive early childhood education.

Education of the handicapped, by serving 125,000 additional disabled children each year, will provide individualized early intervention and early childhood education for all disabled preschool children.

America cannot be productive or competitive if we abandon our human resources, our children, to certain failure. No trade barrier will be high enough to protect us from international competitors who are investing in their children's early development.

There is no more time to waste. Now is the time to act on that evidence.

I urge my colleagues to support the legislation. A summary and other supporting information follows:

CHILD INVESTMENT AND SECURITY ACT—SUMMARY

Purpose: To implement a 4-year, comprehensive, cross-program strategy, building on existing prevention programs of proven effectiveness, to ensure that every vulnerable young child up to age six has an opportunity for full mental and emotional development, educational readiness, and good health.

TITLE I. PRENATAL AND INFANT CARE

Sections 101-103.—Expanding Medicaid coverage of pregnant women and infants.

FY 1990 Cost: $160 million.

Requires States to phase-in Medicaid coverage so that all pregnant women and infants in families earning up to 200% of the federal poverty level will have access to prenatal and preventive infant health care, including prenatal and postpartum home visitation services, by FY 1993.

Removes bureaucratic and financial obstacles to obtaining Medicaid coverage by mandating presumptive eligibility, prohibiting application of resource tests, allowing application at alternative sites, mandating continuous eligibility, and assuring adequate payment for obstetrical and pediatric services.

Section 104.—Set-aside of additional funds for targeting perinatal care services under the Maternal and Child Health Services Block Grant program.

FY 1990 Cost: $100 million.

Authorizes a set-aside of additional funds within the block grant to expand and improve perinatal care services for pregnant women and their infants.

Section 105.—Infant Mortality Initiative of Community and Migrant Health Centers

FY 1990 Cost: $50 million.

Expands the Infant Mortality Initiative funded through community and migrant health centers so that all centers receive an adequate infant mortality initiative grant to expand prenatal care outreach and delivery of services.

TITLE II. PREVENTIVE CHILD HEALTH

Section 201.—Mandatory Medicaid coverage of certain children.

FY 1990 Cost: $38 million.

Requires States to phase-in Medicaid coverage for all young children living in families up to 200% of the federal poverty level by FY 1993.

Removes bureaucratic and financial obstacles to obtaining Medicaid coverage by prohibiting application of resource tests, allowing application at alternative sites, and assuring adequate payment for pediatric services.

Section 202.—Childhood Immunization Programs.

FY 1990 Cost: $20 million.

Authorizes the existing Childhood Immunization program to provide community and provider education, outreach, and delivery of services to infants and preschool children with the goal of fully immunizing all preschool children by FY 1993.

TITLE III. SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

Section 301.—Special Supplemental Food Program for Women, Infants, and Children.

FY 1990 Cost: $192 million.

Phases-in mandatory funding for WIC to increase the percentage served by approximately 5% each year so that virtually all eligible women, infants and children are served by FY 1993.

TITLE IV. EARLY CHILDHOOD EDUCATION

Section 401.—Head Start.

FY 1990 Cost: $571 million.

Phase-in increased authorization levels so that an additional 8% of the 2.5 million low-income, eligible children ages 3-5 can be served each year, with the goal of serving all eligible children who want Head Start services by FY 1993.

TITLE V. APPLICATION PROCESS FOR CERTAIN FORMS OF FEDERAL ASSISTANCE WITH RESPECT TO CHILD HEALTH

Section 501.—Requirement of development by Secretary of plan for single application for multiple forms of assistance.

For some programs, adequate authority exists, and all that is necessary are phased-in appropriations to serve all the children in need of services:

Education for all Handicapped Children Act: Additional funds are necessary to serve 125,000 more disabled preschoolers in FY 1990, and additional disabled preschoolers in later years, with the goal of serving all disabled preschoolers by FY 1993.

FY 1990 Cost: $265 million.

Childhood Immunization: Additional funds are necessary to maintain a sufficient supply of childhood vaccines.

FY 1990 Cost: $28 million.

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CHILD INVESTMENT AND SECURITY ACT—FACT SHEET

WHAT IS THE PURPOSE OF THE LEGISLATION?

The legislation establishes a comprehensive, multi-year, cross-program plan, building on existing cost-effective programs, to ensure that every child has the opportunity to enter school at age 6 healthy, and with full emotional and mental development. By the end of the Bush Administration:

Medicaid, the Maternal and Child Health Block Grant, and the Community and Migrant Health Center Infant Mortality Initiative will provide all pregnant women and infants living in families earning up to 200% of the federal poverty level access to early, comprehensive and accessible prenatal care and preventive infant health services.

Medicaid and the Childhood Immunization Program will provide all young children up to age 6 living in families earning up to 200% of poverty access to preventive and routine medical care, and all preschool children full immunization against serious childhood illnesses.

The Special Supplemental Food Program for Women, Infants, and Children, by serv-

ing 300,000 additional participants each year, will provide high-protein food and nutritional guidance to virtually all eligible low-income pregnant women, infants and children at nutritional risk.

Head Start, by serving 200,000 additional children each year, will serve all eligible, low-income children ages 3-5 who want comprehensive early childhood education.

Education of the Handicapped, by serving 125,000 additional disabled children each year, will provide individualized early intervention and early childhood education for all disabled preschool children.

WHY IS THIS LEGISLATION NECESSARY?

Preventive care for pregnant women, infants still out of reach.

Each year, 1.3 million women receive insufficient prenatal care, primarily because of financial barriers and limited access to health care providers.

Almost 40,000 infants die before their first birthday and tens of thousands more are born with long-term disabilities—tragedies due largely to the incidence of low birthweight which has not been reduced in this decade.

Millions of children uninsured; youngest not immunized against serious resurgent childhood illnesses.

More than 11 million children, the majority of whom have working parents, have no health insurance, a 13% increase in the last five years. Four million uninsured children are under age six.

Four million uninsured children live below the poverty line. They receive 40% less physician care and half as much hospital care as their insured counterparts.

Seven million children do not receive routine medical care. Forty percent of preschool children are not adquately immunized against major childhood illnesses. Some illnesses, such as whooping cough and measles, which were thought eradicated or on the decline, are now resurgent.

Millions of pregnant women, children lack basic nutrition.

Less than 50% of the low-income women, infants and children at nutritional risk receive high-protein supplements through the Women, Infants, and Children's Food Program.

A pregnant woman with inadequate nutrition has a high-risk of delivering a low birthweight infant, and nutritional deprivation among young children may lead to serious health problems such as anemia or malnutrition, as well as serious cognitive deficits.

Low-income and handicapped children denied preschool education.

Currently, more than 80% of all eligible low-income children ages 3-5 (2.5 million) are denied Head Start. Low-income children are 50% less likely than higher income children to receive prekindergarten early childhood education.

As many as 500,000 disabled preschoolers may be unidentified and unserved by preschool special education programs.

WHY INTRODUCE THIS LEGISLATION NOW?

Experts, policy and corporate leaders recommend investment in young children.

President Bush, former Presidents Carter and Ford in their report the "American Agenda," the Committee for Economic Development, the Council on Competitiveness, the National Governor's Association, the National Commission to Prevent Infant Mortality, the Institute of Medicine, and the American Public Welfare Association recommend investing in young children.

Key programs are cost-effective, saving lives and dollars.

Every dollar invested in comprehensive early prenatal care, childhood immunization, WIC, or high, quality preschool education saves between $3 and $10 in averted deaths, disability, disease or school failure.

America's future depends on health, well-being of its children.

The Committee for Economic Development predicts that by 1990 alone, the impact of new technologies is expected to drive total private-sector demand for employment to 156.6 million jobs, nearly twice that in 1978, with a shortage of over 23 million Americans able and willing to work.

In the 21st century, the U.S. will need all of its children prepared for a tightening labor market already dependent on highly skilled workers. Each year we lose 20% of children to poverty, and millions more to ill health, disability and school failure. By the year 2000, one in four children, 16 million, will be poor, three million more than in 1987.

Each year's class of high school dropouts will cost the nation $240 billion in lost earnings and foregone taxes over their lifetimes.

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WHAT KEY LEADERS SAY ABOUT INVESTING IN CHILDREN

President George Bush, "Building a Better America," 1989:

"Give any American kid an equal place at the starting line, and just watch what that kid can do. But too many kids are denied that equal chance, particularly if they are black and poor. Head Start helps kids get that equal place at the starting line. It's a Federal program that works. But it doesn't reach all the kids it should.

"As a nation, we must give our children a better start in the world [and] see that quality health services so critical for improving maternal and infant health will be available to the pregnant women and young children in our nation."

Former Presidents Gerald Ford and Jimmy Carter, "American Agenda," 1988:

"There are a number of reasons why poor children should receive early attention . . . First, unless action is taken now, these children are likely to repeat their parents' lives. If so, they will constitute by the year 2000 a massive human deficit of unlearned, unlettered, uncompetitive, and socially dysfunctional Americans.

". . . early intervention is the best opportunity to break the cycle of poverty. There is solid evidence that Federal programs such as Head Start, prenatal care, immunization, the Women, Infants and Children's Feeding Program and compensatory education do work, and offer one of the best investments the country can make in its own people."

National Governor's Association, "*America in Transition,*" 1989:

"The first high school graduating class of the 21st century completes kindergarten this year. These are our future workers, teachers, taxpayers, and leaders. But we may never know them. Today, too many die before their first birthday; too many are born in poverty; too many become parents before they become adults.

"If we are to develop a new agenda for America and its role in the world, we must begin by investing in America's children—to ensure their future and our own. For we cannot compete beyond our borders unless we become competitive within our borders. . . . In this year of a new administration and new congressional leadership, it is essential that the federal government focus attention and leadership on investing in the country's most valuable resource—its children."

Committee for Economic Development, "Children in Need: Investment Strategies for the Educationally Disadvantaged," 1987:

"Failure to educate is the true expense—for both society and individuals . . . each year's class of dropouts will cost the nation more than $240 billion in lost earnings and forgone taxes over their lifetimes . . .

"Learning is cumulative process that begins at birth. The educational problems of disadvantaged children are especially obvious long before they begin formal education. It is less costly to society and to individuals to prevent early failure through efforts directed toward parents and children alike from prenatal care through age five . . . We call for early and sustained intervention into the lives of at-risk children as the best way to ensure that they embark and stay on the road to success."

The Council on Competitiveness, "Reclaiming the American Dream," 1988:

"The early years of a child's life play a large role in determining subsequent educational achievement. Children who lack proper nutrition, health care and parental involvement generally perform more poorly than other children in elementary and secondary school . . . Early childhood intervention is essential to help promote child development."

Center for National Policy, "America Tomorrow: The Choices We Face," 1989:

". . . most of the elements of a comprehensive attack on childhood poverty are already recognized parts of our social welfare policy. Medicaid provides some pregnant women and some poor children with the health care they need. Child nutrition programs supplement the diets of a fraction of children in low-income families. Head Start prepares a handful of disadvantaged children for school.

"What is missing is a deliberate, comprehensive and sustained effort to ensure that poor children receive the help they need to prevent long-term problems from developing . . . Expanding and extending these effective services is a costly proposition only if it focuses exclusively on the short-term. In the longer term, these should be viewed as cost effective investments, ones that we should begin to make at an increasing rate, starting immediately."

National Commission to Prevent Infant Mortality, "Death Before Life: The Tragedy of Infant Mortality," 1988:

". . . we must provide universal access to early maternity and pediatric care for all mothers and infants. The existing financial, administrative, logistical, geographical, educational, and social barriers to essential health services for pregnant women and infants must be eliminated. Employers must make available health insurance coverage that includes maternity and well-baby care. Government must assume responsibility for those who lack private insurance or are unable to pay . . . we must initiate immediately a sustained, broadbased effort to make the health and well-being of mothers and infants a national priority and give them the public attention and resources they deserve."

Institute of Medicine, "Prenatal Care: Reaching Mothers, Reaching Infants," 1988:

"Unlike many European nations, the United States has no direct, straightforward system for making maternity services easily accessible. Although well-insured, affluent women can be reasonably certain of receiving appropriate health care during pregnan-

cy and childbirth, many women cannot share this expectation . . . In the short term, the Committee urges strengthening existing systems through which women secure prenatal services."

American Public Welfare Association, "Access," 1988:

"Access to health care for America's poor families and children is a human necessity, and an economic one. Health care is critical to strong, stable, self-sufficient families. It is critical for children to grow and thrive. National policy must assure access to health care for America's poor families and children."

## PREPARING FOR AMERICA'S FUTURE

### HON. RON MARLENEE

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. MARLENEE. Mr. Speaker, I ask to include for the RECORD an essay written by one of my constituents on freedom. Stuart Walsh, son of Mr. and Mrs. Laurence Walsh of Nashua, MT, was the State winner in Voice of Democracy Scholarship Program essay contest on "Preparing for America's Future."

It is appropriate, Mr. Speaker, that we prepare for our future by reminding ourselves about the foundation of what makes this country great: responsible citizenship that nurtures freedom. With all of the negative images of our young people in our media, it's a distinct pleasure to hear reasoned voices from teenagers like Stuart who want to do their best in appreciation for living in this free land. I wish him all the best as he continues his education. His essay follows:

PREPARING FOR AMERICA'S FUTURE

(By Stuart Walsh)

"Give me one moment in time when I'm more than I thought I could be." This is a line from the song recently made popular by Whitney Houston. The song concludes with these words, "Then in that one moment of time, I will be free."

Freedom is America's future—it is all that we can be. There is no other goal more desired by people of every nation than to be free, to have the freedom to make their choices: where to live, where to work, where to worship, what to do and say, whom to vote for just a few of the freedoms we take for granted in the United States. Certainly America has achieved the goal of freedom for its people and we have gone a long way toward helping other countries achieve the same goal. Think of the millions of Americans who used their moment in time to support the cause of freedom. Many fought and died for their country. Others served in national, state, or local government, or worked as volunteers in organizations such as the Red Cross. Often entire families were involved in America's freedom fights. Freedom did not come easily. It required commitment and sacrifice to provide us with the choices we find so available today.

But, what about the future? Can we sit back and rest, believing that the battle is won? Many Americans are doing just that, they don't bother to vote, they don't go to church, they don't contribute their time and talents to any worthwhile causes. They don't make choices and consequently, they don't teach their children to make choices. Why should they bother? Those freedoms will be there tomorrow, right? Or will they? If we don't exercise our freedom to choose, then we are allowing others to choose for us. By not taking a stand on issues, parents are teaching their children that those issues are not very important. In many cases it is left to the media, television and movies, to guide the minds of American children. Will these children be allowed their moment in time, and if so, will they make the right choices? It is possible that the freedom of America's future could be lost without a battle and never be missed until it's gone.

Let's not wait until it's too late. Let's get out and use our freedoms. We can prepare for our country's future by voting, by joining organizations that support our beliefs, by participating in activities that encourage pride in ourselves and in our country, and by teaching the next generation to make choices. By exercising our freedoms, we can shape America's future. All we need to do is take our one moment in time and use it wisely.

As the song says, "When all of our dreams are a heartbeat away, and the answers are all up to me, if you seize that moment in time, then in that one moment of time, I will be free" Our moment is now, and we are free!

## LET AMERICA LEND A HELPING HAND TO THE HOMELESS

### HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. LELAND. Mr. Speaker, the homeless problem in this country has reached enormous proportions. Last year alone the demand for emergency shelter grew by an average of 19 percent among the 27 cities surveyed by the U.S. Conference of Mayors. The Department of Education recently reported that 220,000 schoolchildren lack homes and that more than 65,000 do not attend school regularly. Each year 5,000 runaway/homeless youths are buried in unmarked graves. Men and women go to work every morning yet they must sleep in shelters because they cannot afford the American dream—a home. Mr. Speaker, President Bush was correct in describing the problem of homelessness in the United States as a "national tragedy."

Today, I urge my colleagues and all Americans to translate their sympathies for the homeless into actions which have the potential of improving the quality of life for hundreds of thousands of people. The citizens of this country have traditionally committed themselves to efforts which assist the disadvantaged. The cooperation of all Americans is needed now to help feed and shelter the homeless. Additionally, the involvement of citizens across the country in these kinds of charitable activities will help build a greater understanding of the problems confronted by homeless individuals and the solutions needed to rectify them.

Mr. Speaker, I urge my colleagues to lend their support to the resolution I have introduced calling for the week of October 8 through 14, 1989 to be designated "National Week of Commitment To Help the Homeless." The approval of this resolution would bring further recognition to the role that we must all play in helping to end the tragedy of homelessness in the United States.

The text of the resolution follows:

H.J. RES —

Whereas although the United States is the wealthiest nation in the world, 3,250,000 Americans live below the poverty level as defined by the United States Government;

Whereas among Americans most in need are homeless men, women, children, and families;

Whereas homeless individuals often lack shelter, health services, and a consistent supply of food;

Whereas despite Federal funding for social service programs, the basic needs of homeless individuals remain unmet;

Whereas historically and ideologically, the United States has committed itself to a belief that individual efforts responding to the humanitarian needs of poverty stricken individuals can make a difference;

Whereas the assistance of private citizens is needed to help meet the increasing demand for food, shelter, and other basic needs of the homeless;

Whereas the involvement of Americans in efforts to assist would help poverty stricken individuals and help build understanding and awareness among Americans of the problems faced by these individuals; and

Whereas a greater commitment by Americans to helping those living in poverty would enhance the development of solutions to the problem of alleviating poverty in the United States: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the week of October 8 through 14, 1989, is designated as "National Day of Commitment To Help Homeless Individuals". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that day with appropriate activities that assist homeless individuals and increase community awareness of the problems of homeless individuals.

## A TRIBUTE TO J. MARIO ZAZUETA

### HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. TORRES. Mr. Speaker, I rise today to offer congratulations to a young constituent of mine from South El Monte, CA. J. Mario Zazueta was recently awarded the first place award in the California Assocation of Compensatory Education [CACE] 23d annual statewide essay contest. CACE is a nonprofit membership organization whose primary purpose is to improve the educational opportunities for disadvantaged youth throughout California. Mario won the junior high division with his essay entitled: "Why I Feel My Parents Should Be Involved in My Education."

In this day and age when the dropout rates are climbing, drug abuse amongst children is rampant and children are left unattended by working parents, it is a welcome relief to learn of young students who have a real interest in their education.

I ask that all my colleagues join me in commending Mario and his family for his award winning essay. We should never forget that it is young and bright students like Mario who will be the leaders of tomorrow. Mario's message is simple but sage: education is not exclusive to the classroom. We all must be included in our children's education.

J. Mario Zazueta lives in South El Monte and attends Potrero Elementary School. He is 11 years old and plans to attend college in California. Mario is known for his athletic ability and versatility. He plays baseball for a local community little league team as well as with the Potrero Lions.

For the RECORD, I insert Mario's essay:

WHY I FEEL MY PARENTS SHOULD BE INVOLVED IN MY EDUCATION

I believe my parents should be involved in my education because I think it is important to them and also important to me. If my parents had a horrible life and wanted me to have a better one, they would help me get a better education. My parents would want a child who they can be proud of for the rest of their lives.

One of the ways my parents would help me in school would be to encourage me to achieve my goals. My parents encourage me to not drop out of school because school is important and will be a relief in the future to help me find a job. They also encourage me to choose my friends wisely and not get involved in all those mean and nasty things that are out there in the real world.

My parents also help me with my schoolwork. When I have a problem that I don't understand, they help me solve it. When I have tests they help me by making me come home early to study hard for the tests. I think they like helping me because they want the best for me and they want me to do my best. Having my parents involved in my schoolwork makes me feel very lucky. I have their concern and love.

One of the ways to repay my parents for all of their help and concern would be to work hard in school and get good grades. In this way, they would be proud of me and I would be thankful for their encouragement and help with my education.

This is why I feel my parents are important in my education.

## A TRIBUTE TO TED CARLSON

### HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. FISH. Mr. Speaker, I take this opportunity to pay tribute to Theodore J. Carlson, retiring chairman of the board of Central Hudson Gas & Electric Corp., who for 27 years has been a major force in guiding Central Hudson and the electric utility industry in New York State. I am very proud to be guest speaker at the dinner at Vassar College Alumnae House in Poughkeepsie, NY, honoring Ted for his outstanding service, including the last 11 years as chairman.

When Ted became chairman, he had been a member of the board since 1968, and Central Hudson was struggling with the impact of extreme disruption in the price and supply of fuel oil. The oil embargo of 1972–73 was a traumatic experience for the utility industry. What had been a relatively insubstantial bill in the home budget became a major bill.

At that time Ted had a thorough grounding in management, regulatory, financial and public affairs affecting the company, achieved as a member of Gould & Wilkie, the Wall Street firm that is general counsel for Central Hudson.

Ted's background and preparation enabled him to play a lead role in resolving these "oil-shock" problems, both in the State and at the national level. He served as the first chairman of the Energy Association of New York State, an organization he helped found to provide seven gas and electric corporations with legislative and lobbying services in the State capital, Albany. At the national level, he served on the board of the Edison Electric Institute, where he was engaged in strategic planning on the problems facing the industry.

Throughout his tenure as chairman of Central Hudson, Ted recognized the importance of involving the community and enjoying good community relations. He recognized the importance of the economics of scale in retail sales, resulting in reduced unit costs and stabilization of prices.

A few years ago, I was able to tap the Carlson know-how for a conference I hosted which focused on the economic and social challenges into the 21st century, particularly in the Hudson Valley. Future demands on education, worker retraining, and energy were among the topics discussed. Ted tackled the complicated subject of projected energy needs in an ever-changing global economy.

If recent history can be used as a barometer, we can expect a dramatic increase in demand for power into the 21st century. For the last 25 years, our area has experienced a significant increase in electricity usage in terms of customers and in residential, industrial and commercial demand. Ted advised that in planning for the future, we must diversify our fuels and reduce reliance on a single fuel source.

Ted has the rare ability to see beyond himself and comprehend the broader implications. This worldly view is demonstrated in part by his involvement with Mid-Hudson Patterns, Inc., an organization devoted to fostering economic development while preserving the scenic, historic and cultural heritage of the region. Ted believed the key to proper development is balance.

At the conference I hosted, Ted urged that as we focus on development of our area, we seek the cultural life of a city without a city's crowding; that we try to develop in the Hudson River Valley a kind of large-scale college campus, where every building would be surrounded by grass, trees or landscaping. He called for the establishment of major parks in which development cannot take place, much in the way that the Palisades are protected to preserve the natural beauty of the Hudson.

Ted's vision is to maintain the character of the area, to support its colleges, to support its museums, to support what enriches us culturally while retaining the rural and suburban amenities which we now enjoy. I think we all share in Ted's dream of the Mid-Hudson region in the 21st century.

Ted's civic pride is apparent both in his work and in his private life. He is an active volunteer in the community, devoting a great deal of time to the Salvation Army. The contributions of volunteers, or as my friend, George Bush, would put it, the thousand points of light, enrich our communities and strengthen the fabric of our Nation. We are lucky to have individuals like Ted Carlson, who possess the spirit of cooperative action, unbridled optimism, a vision of what should be, a genuine compassion.

Ted was born in Hartford, CT, in 1919. He attended public schools in New York and New Jersey and graduated from Montclair State College in 1940. He earned a juris doctorate from Columbia University in 1948, as well as a master of arts degree in 1951. During the war, he served in the U.S. Army in England, France, and Germany and concluded his career with the rank of captain.

He joined Gould & Wilkie of Wall Street in 1948 and served as an associate until 1954, when he became a member of the firm. He is a member of the New York Bar, the bar of the appellate courts as well as the bar of the U.S. Supreme Court.

Ted has been active in community affairs throughout his career. He has served in various capacities with the Rotary Club, United Fund and Salvation Army boards. He is chairman of the board of trustees of the King's College in Briarcliff Manor and is chairman of the Christian Herald Association in Chappaqua.

Ted is married to the former Jacqueline L. Coburn. They reside at 52 Dalmeny Road, Briarcliff Manor, NY, and are the parents of four children.

## A WATERSHED YEAR FOR LABOR RELATIONS

### HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. GEPHARDT. Mr. Speaker, 1989 is a watershed year for labor-management relations. Right now we are facing one of the crucial tests of what direction we are going to take. The United States is faced with the toughest economic competition that we have ever faced. If we are to win our share of that competition, we have to have a new, improved, more stable and more successful relationship between labor and management.

The problems confronting U.S. industry, and the American economy as a whole, seem to revolve around attitudes, values, and ethics. At one time American manufacturers and service providers were known for excellence, quality, and for paying attention to the interests of their customers. At one time American business entities were known for their social and national responsibility. But now things have changed. The attitude of too many managers seems to be disregard for the Golden Rule.

The House action last week on legislation concerning the Eastern Airlines was an attempt to deal with this problem and its effect on labor-management relations. This dispute draws attention to flaws in America's competitiveness and her industrial structure. At a time

when the United States is faced with tough economic competition, we cannot afford to have confrontations between labor and management, those who are primarily responsible for America's stability in the world market.

America's most currently publicized example of labor-management relations has been the problems between Eastern Airlines and the International Association of Machinists. Many have observed Eastern's management and its unwillingness and failure to involve employees in decisions affecting them and the future of the company. We can no longer afford to have Frank Lorenzo as the "godfather" of labor-management relations. When the machinists and the flight attendants have been joined by the pilots, who have heretofore been reluctant to engage in strike activity, it is clear that Frank Lorenzo has become the symbol of how not to run a modern American corporation.

The Eastern strike is not a simple labor-management dispute about wages and conditions of employment. It is about a deliberate attempt to dismantle one of America's great airlines and break its unions. While the machinists union agreed to binding arbitration, management refused.

We need a workable solution to get us out of the current impasse. We need to get Eastern flying again, and the workers back to work. Just as important, it will send a signal to those who seek to bust up unions and dismantle America's great companies that enough is enough.

But as I said earlier, the Eastern strike has much broader ramifications.

H. Ross Perot, a pretty fair business person himself, sees the problems associated with such poor management. He says our business schools fail to teach the most important leadership rule—the Golden Rule—that corporate officers and managers should treat employees, customers, and shareholders the way they themselves would like to be treated.

Instead of ignoring the signals that the Eastern dispute is sending, we must adopt the positive management practices of companies like the American Steel & Wire Corp. in Cleveland, OH. At this company, the management asks for input from its employees on issues ranging from pension funds to stock ownership plans, from employee dress code to the purchase of a tent for employee activities.

It's time that we refocus our attention on putting excellence back into manufacturing, services, and labor-management relations rather than on financial manipulation, corruption, and mismanagement. We must put care and concern back into our management practices.

Abigail Adams in 1780 captured perfectly the spirit of her time when she wrote to her husband:

> These are the times in which a genius would wish to live. It is not in the still calm of life or in the repose of a pacific station, that great challenges are formed—great necessities call out great virtues.

I truly believe that America and all sectors of her economy must once again call upon the virtues of our past. As leaders and managers and as citizens and workers, we need to recognize the great necessities of our day, and call upon the great virtues that have been dormant. Only in this way can we hope to avoid future disasters such as the Eastern Airlines crisis and restore stability to relations between U.S. labor and management and in turn restore America's competitive position.

## RURAL HEALTH CARE

### HON. RON MARLENEE

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. MARLENEE. Mr. Speaker, as a strong supporter of rural health care, I am happy to see my colleagues from both sides of the aisle coming together today in the spirit of bipartianship to save hospitals in rural America. For too long, our rural hospitals have been teetering on the brink of one financial disaster after another.

I am pleased to join my colleagues from the House Rural Health Care Coalition in cosponsoring a comprehensive set of legislative initiatives that will offer relief to struggling rural hospitals and improve access to health care in rural areas. This legislative package will go a long way to revitalizing many of our small hospitals. Last year, in my home State of Montana, 33 out of 39 rural hospitals operated in the red. Only six hospitals broke even or made a profit.

At times I feel frustrated working with those who have little idea of the immense problems facing rural communities, especially in health care delivery services. For many Americans near urban areas, if a hospital closes, all one has to do is hop on a bus or subway to go to next medical facility. In Montana, a pickup ride in a raging blizzard over dozens of miles is the only alternative to getting emergency health care.

Today, I have joined in a spirit of bipartisanship with the House Rural Health Care Coalition to coordinate strategies and combine efforts to fight against discrimination of rural areas in health care. I become an original cosponsor to six bills that offer relief to the problems facing rural health care.

First, I joined with my colleague from North Dakota on a bill that would create a single rate for Medicare reimbursement payments, thus eliminating the discriminatory urban/rural distinction. The Secretary of the Department of Health and Human Services [HHS] would be required to present a proposal to Congress in 2 years that would eliminate Medicare's current differential payment rates for urban and rural hospitals. This would include a 3-year phase-in period to establish a single base rate beginning in 1991 and fully effective 3 years later.

In addition, this legislation would provide interim protection for rural hospitals, with 100 or fewer beds and dependent on Medicare for 55 percent or more of inpatient services, during this transition period. They would be free from worry about bankruptcy and hospital administrators could plan their budgets without fear of decreased funds from Medicare. These small rural hospitals would receive an additional payment to ensure that total payments for inpatient hospital services would be at least equal to the reasonable costs of those services for Medicare patients.

Mr. DORGAN's bill would also retain the sole community hospital program and rural referral centers until the urban/rural differential is removed. It would also create a series of demonstration programs for nursing and other health education initiatives to attract and keep competent and qualified health professionals to rural areas.

Most importantly, this bill would establish a Critical Access Facilities Program. Rural hospitals with 100 beds or fewer and dependent on Medicare for 55 percent or more of inpatient services would be eligible for identification as critical access facilities [CAF's]. This would ensure that key health care facilities located in remote areas would remain open to serve rural populations.

My good friend and Republican colleague from Iowa, Mr. TAUKE, who is the cochair of the House Rural Health Caucus, has introduced legislation that will keep open many rural health clinics served by health professionals who are not medical doctors. For those of my colleagues unfamiliar with this program, the Rural Health Clinic Act of 1977 authorized some Medicare and Medicaid payments to clinics for services provided by nurse practitioners and physicians assistants for basic public health care services. Mr. TAUKE's legislation is designed to reduce red-tape in this program and to increase the availability of prenatal care and mental health services in rural areas.

I am also an original cosponsor of a bill to improve rural emergency medical services, introduced by my colleague from Tennessee. The Rural Emergency Medical Services [EMS] Improvement Act establishes a $45 million block grant program for States to recruit, train, and retain prehospital emergency medical personnel; to purchase, upgrade, and maintain emergency medical equipment; and to develop preventive education programs for rural occupational health and safety.

This is a much better alternative to the trauma bill passed in the last Congress because Mr. COOPER's bill is targeted to rural areas where too many accidents have led to serious injury or death because of a lack of access to EMS. Rural areas only have 20 percent of the EMS caseload nationwide, but 70 percent of highway fatalities take place there. This legislation would go a long way to help people with serious injuries in rural areas obtain access to critically needed EMS programs.

A bill to attract health professionals to rural areas has also been introduced by Mr. TAUKE. The Rural Health Professionals Interest Deduction Act, of which I am an original cosponsor, would restore the tax deduction for education loan interest for physicians, nurses, and allied health professionals. This would only go to those who agree to practice in a medically underserved area or health manpower shortage area, of which rural regions would benefit. This deduction would remain in effect for as long as the health professional continued to practice in these areas and it would be available for loans for continuing professional education.

Finally, I have cosponsored a bill to create an Undersecretary of Rural Health in HHS and a sense-of-the-Congress resolution calling for the elimination of the discriminatory rural/urban Medicare reimbursement rate.

Mr. Speaker, the time has come for Congress to represent all of its constituents, and the legislation package that has been introduced today will begin to help us address the critical health needs of those who live in rural communities. We must recognize the unique problems facing rural areas and offer positive solutions that delivers health care services to those who desperately need it—people living in rural medically underserved areas. I encourage my colleagues from both sides of the aisle to cosponsor these measures. If we really want a kinder and gentler nation, let's start with improving health care delivery services in rural areas.

## THE CHILD INVESTMENT AND SECURITY ACT

### HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. LELAND. Mr. Speaker, I wish to commend to you the Child Investment and Security Act introduced today by my colleague GEORGE MILLER of California. This comprehensive legislation provides for prenatal and early childhood nutrition and health care for children in families with incomes below 200 percent of poverty.

We are allowing the demise of this Nation to occur by failing to preserve our most precious natural resource—our children. The health and nutrition status of millions of American children are in jeopardy, primarily because of poverty and governmental neglect. Almost 13 million children live in poverty. Almost one in every four children under the age of 5 lives in poverty. The meaning of these statistics to the future of our Nation is sobering. They are also a harsh indictment of the values reflected in our policies and priorities.

The Child Investment and Security Act would reverse these unfortunate trends and literally save a generation of poor children from the lifelong effects of poor nutrition and inadequate health care. It expands the proven and cost-effective programs, Special Supplemental Feeding for Women, Infants, and Children [WIC] and Head Start. The expanded Medicaid provisions for pregnant women and children will effectively address the stagnation of our national progress in reducing infant mortality.

Embodied in this legislation are provisions contained in the Medicaid Infant Mortality Amendments of 1989, H.R. 800, which I introduced earlier in this Congress. These provisions make prenatal health care more accessible to low-income women through Medicaid. This expansion will increase the chances of a larger number of infants surviving their first year of life.

The importance of health care and nutrition begins with life itself. In this earliest stage of development, health care, and proper nutrition are matters of survival. The extreme vulnerability of pregnant women, infants, and children is recognized in all societies, and responsible societies assure their protection and care.

Forty thousand infants die before their first birthday in this country every year. During the past decade, the United States has failed to maintain progress against infant mortality commensurate with our affluence. Twenty countries in the world have infant mortality rates lower than the United States. Of these nations, only Switzerland has a higher gross national product.

In regard to health care, a recent report by the National Association of Children's Hospitals and Related Institutions points out that the number of medically uninsured children grew 13 percent in the last 5 years. About 12 million American children have no health insurance. Despite a ⅓ growth in child poverty over the last decade, Medicaid is serving 400,000 fewer poor children. In 1986 Medicaid covered only half the children in families below the poverty level.

I am proud to be an original cosponsor of the Child Investment and Security Act. Its purpose is to preserve the welfare of America's children. Its provisions are not revolutionary. They are based on the expansion of existing, proven programs. The Child Investment and Security Act is the best possible response to the danger signals flashing for millions of children who do not have adequate nutrition, health care, and early childhood development programs.

## BRIAN P. GRISHAM: OREGON'S VOICE OF DEMOCRACY WINNER

### HON. DENNY SMITH

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. DENNY SMITH. Mr. Speaker, I rise to recognize Oregon's winner of the VFW Voice of Democracy Scholarship Program, Brian P. Grisham, of Salem. In a short essay, Mr. Grisham has drawn a striking picture of the problems and choices facing each and every American citizen. I think Mr. Grisham's words speak well for all of us, and I therefore proudly submit for insertion into the RECORD the text of the winning essay:

PREPARING FOR AMERICA'S FUTURE

1988/89 VFW Voice of Democracy Scholarship Program, Oregon Winner: Brian P. Grisham, 3506 Glen Creek Rd., NW., Salem, OR 97304.

A small group of people gather in a room to plan the destruction of the most powerful nation on earth. One member suggests a nuclear attack. Another cites a conventional force attack. All the members realize these are old strategies and virtually obsolete. But finally, the third member presents his plan to the committee entitled project "Jo Schmo". "Fellow members," he states, "conformity and facsimile" are the essence of my plan. First: create a prototype pseudo-human possessing a 'certain negative trait'. Second: clone millions of "Jo Schmo" units who by pure numbers and pure influence, would constitute a negative majority that will rot this country from within. The trait? . . . APATHY". Another member challenges: "This plan will take far too long" "Aah, yes", the presenting member advise states, "But look around, it has already been done".

This hypothetical nightmare merely shadows a silent war raging on inside America. The conflict between apathy and action. This country has become shockingly callous to the constant chipping away of society's strong wall of values. Despite television prodding and special service for pickup, citizens refuse to separate metal, glass, and paper from other waste. New American citizens cry, joyfully, while casting a first free vote, while "Jo Schmo" sits, with beer in hand, and plugs into the television. Filthy garbage clogging highways, smearing the beauty of this nation's beaches, and suffocating the plant and animal life in national parks has reached unacceptable proportions. The earth's air supply, slowly but surely, dwindles away as pollution replaces breathable oxygen. Education, suffering from a nationwide dropout rate of nearly thirty percent, is wadded up and tossed by frustrated and bored students. Families, the basic building block of the nation, crumble from everyday stress. Fanatical groups, like the Ku Klux Klan and the skinheads, are movements that are so uncomfortably close to violence that they perch like ominous clouds on the future's horizon. Consumer use of hairspray, mousse, and other fluorocarbons seems to outweigh the health of the atmosphere. Whales, seals, and other precious life, near or beneath the oceans, diminish in number every day and although sales of animal posters and other emblems of sympathy increase, the size of volunteer groups decreases. Too often, we choose vanity over survival. These behaviors so deeply rooted in the American mindset, pose a formidable opponent. However, as has been negatively proven, people do change. And if people have the capability to change negatively over a period of time, then those same people have the same capability to change positively over time.

But what ignites the change for a better tomorrow? What key starts the focus of America toward a brighter future? Every human being has an ignition and key. Together, with each person changing, the nation will change. When "Jo Schmo" separates his or her garbage, another "Jo Schmo" does the same. When "Jo Schmo" takes ten minutes to vote, or pick up his or her trash after camping, another "Jo Schmo" copies. When "Jo Schmo" rides a bus, instead of driving, to limit gas and pollution, others make the same decision. When a "Jo Schmo" realizes he or she has a future and studies, in school, for long term goals, or wears a hat instead of hair spray, others follow the trend. When the average "Jo Schmo" spends time with his or her family, other families come together, and when "Jo Schmo" decides racial jokes are not humorous, or volunteers at an animal hospital or humane society, others help with the need.

As for positive change, America needs to pull out of reverse and shift into forward as this country takes the first step toward a brighter future. The alarm clock of change rings. The nation cannot afford to continually press the snooze bar. The future is nothing more than the next step in time, whether the nation steps into brightness or blight depends upon the number of people willing to settle for the name: "Jo Schmo".

## THE LINE-ITEM VETO

### HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for Wednesday, March 22, 1989, into the CONGRESSIONAL RECORD:

THE LINE-ITEM VETO

In an era of large budget deficits there is growing public interest in laws, reforms, and constitutional amendments that would somehow bring the federal budget under control. One of the most popular of these proposals is the line-item veto. All of our recent Presidents, from Lyndon Johnson to George Bush, have supported it. The line-item veto appears to be a simple way to accomplish an important objective—cutting the federal deficit. But careful thought should always be given to any reform that might produce fundamental changes in our political processes and institutions.

The line-item veto would give the President the power to grant selective approval to federal expenditures. Under current constitutional arrangements, when the President receives an appropriations bill from the Congress, he has basically two choices—sign the entire measure making it law, or exercise his existing veto power and send the bill back to the Congress for reconsideration. With a line-item veto the President would be able to cross out a specific expenditure and then sign into law all of the remaining appropriations.

Problems arise immediately in defining what constitutes a "line" in spending legislation and whether a veto could be used to remove conditions on spending or to change numbers. For instance, if the Congress were to approve humanitarian aid for the Nicaraguan contras, could a President strike the word "humanitarian" in exercising his line-item powers? Or if the Congress approved a 4 percent salary increase for military personnel, could a line-item veto be used to change it to 3 percent or raise it to 5 percent?

Even if the President were given very expansive revision authority, a line-item veto might still have very little impact on the deficit. Many federal expenditures are automatic and cannot be crossed out of annual appropriations. Interest must be paid on the national debt. Social Security checks are mailed and Medicare bills are paid in accordance with laws and regulations that are not rewritten in the annual appropriations process. Other entitlement programs give the federal government responsibility for a wide range of payments and services that a line-item veto would not affect. If you add all the automatic federal expenditures together, you would have a figure equaling well over half of the national budget, and that figure would include some of the fastest growing federal obligations—interest on the debt and medical care. If the President chose not to use his line-item veto to make deep cuts in defense spending, a likely prospect for President Bush, another quarter of the budget would be largely untouched by line-item powers.

Other considerations would further limit the ability of a line-item veto to reduce the federal deficit. Many billions of dollars are legislated in the form of special tax benefits and incentives that are federal expenditures in all but name. In most versions of the line-item reform, the President could not alter revenue legislation. Nor would he be likely to stop "pork-barrel" programs that were cleverly hidden in large and popular spending items. With only a small percentage of annual expenditures actually subject to a line-item veto, the cuts that could be made would never be enough to bring the federal budget into balance. In 1988, President Reagan published a list of items he would have cut from the 1989 budget if he had been given selective veto powers. All of them added up to $1.5 billion for a year in which the federal deficit was $155 billion.

There are currently 43 governors who have some form of line-item budget discretion, and proponents of the line-item veto believe that this fact explains the existence of balanced budgets in most states. There are, however, better explanations for state financial responsibility. Many state laws and constitutions expressly prohibit deficit spending. Moreover, the bond markets carefully monitor and rate the ability of states to repay debts, penalizing those not in balance. Two Hoosier economists at Ball State University who studied the states where governors enjoy the line-item veto concluded that it has had little impact on the level of state spending.

Although the evidence indicates that a presidential line-item veto would not significantly reduce the deficit, it might sufficiently alter the balance of power between the legislative and executive branches to produce a dangerous change in our constitutional system. A President armed with a line-item veto would be extraordinarily powerful in his dealings with individual members of the Congress. For example, if a controversial piece of legislation were coming up for a vote, the White House could threaten to veto projects in the districts of wavering congressmen. This kind of pressure would do little to reduce the deficit, but would vastly increase presidential power. Armed with a line-item veto, a President might never lose a close congressional vote. Our Founding Fathers knew that too much power in one branch of government would invite abuse. The Congress is unlikely to approve a constitutional reform weakening its own power of the purse and destroying the balance between the legislature and the executive.

Improvements in our budget-making process can, of course, be adopted without rewriting the Constitution. We can avoid the use of last-minute continuing resolutions, streamline the congressional budget process, and stop using overly optimistic economic assumptions. We can also encourage responsible use of existing presidential powers to rescind wasteful speeding commitments, subject to congressional review. In a two-year period in the early 1980s, when the President and the Congress were working together to reduce federal spending, over $15 billion in presidential rescission recommendations received congressional endorsement.

The line-item veto promises to restore federal financial responsibility without pain. It is a procedural device put forward as the solution to a substantive problem. I do not believe that there are any magic bullets or miracle elixirs which will effortlessly bring the budget under control. What is missing today is not procedural reform, but the political will for the Congress and the President to bring spending into line with revenues.

## A COMMUNITY SALUTE FOR GENEVIEVE N. JOHNSON

### HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. FAUNTROY. Mr. Speaker, I rise today on behalf of Genevieve N. Johnson, a constituent of the District of Columbia, who deserves to be recognized for her more than 50 years of distinguished service to our community.

Mrs. Johnson, a longtime resident of the District of Columbia, is widely respected for her visionary leadership which has been crucial to the creation of public policies and services that benefit her fellow beings, particularly senior citizens. She is the founder of an annual citywide senior citizens prayer breakfast in Washington. The event, now in its 17th year, brings a broad spectrum of the community together in celebration of the enduring and continuing contributions of older citizens to the welfare of our city and Nation.

Mrs. Johnson is the soul and spirit of numerous organizations in Washington devoted to the welfare of senior citizens. For many years, she served as president of the influential Council of Senior Citizens—Greater Washington Area. Under appointment by Mayor Marion Barry, Jr., she was one of the first citizens to serve on the D.C. Commission on Aging. As a private citizen, she is a leading advisor to public officials on such important concerns as housing, security, and medical assistance for the elderly.

Mrs. Johnson, or "Mother Johnson," as she is affectionately known, has been a loyal member of Zion Baptist Church for over 80 years, where she serves on the trustee board and is actively involved in numerous activities. She is among the members of her church, who by their will, helped to establish Zion Baptist as one of Washington's leading congregations.

Upon retiring from a 34-year career with the British Embassy in the District, she was presented the British Empire Medal from the Queen of England. Mrs. Johnson, a recipient of numerous leadership awards, has been honored by the American Mothers Association of the District of Columbia as its "Mother of the Year." And in recognition of that high honor, May 2, 1975, was proclaimed "Genevieve N. Johnson Day" in the District of Columbia.

Indeed, this graceful woman's exemplary deeds give cause for a public celebration to honor her in the city that she has so devotedly served. At 12 o'clock noon on Saturday, April 8, 1989, Mayor Marion Barry, Jr. and the citizens of Washington, DC, at a community luncheon, will give Mrs. Johnson the "fruits of her hands and honor her in the gates." The theme of this special event is fittingly taken from the Book of Proverbs: "Who Can Find A Virtuous Woman? For Her Price Is Far Above Rubies."

As a resident of the District of Columbia, I am pleased to salute Genevieve N. Johnson for her many inspiring contributions that have enhanced the quality of life of the citizens of the District of Columbia.

## INTRODUCTION OF THE TELEPHONE RATE VERIFICATION ACT OF 1989

### HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. MARKEY. Mr. Speaker, I rise today to introduce the Telephone Rate Verification Act of 1989. Last week, the Federal Communications Commission [FCC] adopted a new untested form of regulation for AT&T, called price caps. The Commission's controversial action, the first major overhaul of telecommunications regulation in a quarter of a century, will directly and perhaps dramatically affect the price and quality of telephone service for all consumers.

Although the Commission has significantly improved the plan to address some consumer and congressional concerns, the full impact of the price cap proposal on telephone service, especially for residential customers and rural users, is still unknown. While FCC Chairman Dennis Patrick contends that "This decision will save consumers approximately $900 million during the next 4 years in interstate long-distance rates charged by AT&T," many others remain highly skeptical. These groups claim that the plan does not have adequate safeguards to protect consumers under the more flexible form of regulation.

Consumer representatives insist that the plan will result in higher rates for most residential customers. Under the price cap plan, AT&T will be permitted to raise its rates for nights and weekends when over 70 percent of residential calls are made, by as much as 10 percent, assuming inflation continues at last month's rate. The Commission's modifications, in response to congressional and consumer concerns, do not go far enough. The plan gives AT&T the flexibility to limit and perhaps eventually eliminate the special discount rate that consumers have long enjoyed when calling at night and on weekends.

Customers of rural telephone companies fear that price caps threaten our long held policy of geographic rate averaging which ensured that prices for telephone service are the same for urban and rural areas. State regulators are concerned that price caps may allow AT&T to shift costs of providing interstate service to the price for local telephone services. Even Fortune 500 companies, who depend on modern, efficient telecommunications services, assert that price caps will give AT&T the ability to subsidize between different services.

The price cap method has been described as a regulatory experiment. In recent days we have witnessed the high price and inconvenience that taxpayers and consumers can suffer from other regulatory experiments like airline and savings and loan deregulation.

As price caps, one of the last vestiges of President Ronald Reagan's agenda, is adopted, I am reminded of his oft stated quote, "Trust but verify." Therefore, members of the committee and I will begin vigilant oversight to ensure that this regulatory experiment does not get out of control and explode in the face of consumers. I join with Chairman JOHN DINGELL, and a majority of my subcommittee colleagues, in introducing legislation that will require the FCC to collect sufficient price, cost and profit data so that the General Accounting Office [GAO] can evaluate the effect of this proposal on consumers, rural telephone customers, interexchange competition and State regulation of intrastate telephone service. This legislation will provide the public and Congress with an accurate measure of the effectiveness and fairness of the price cap method. Although the bill will not impede the operation of the price cap method, it will be an "early warning system" alerting the public to any unintended consequences.

Specifically, this legislation would require the Commission to collect from dominant carriers data, reports, studies, and other information comparing the rate of return and price cap methodologies. The report would also determine whether the carrier's rates under each method would comply with the just and reasonable standard of the Communications Act.

In addition, the Commission would be required to present to Congress a report on the collected information. The report shall compare the rate approved by the Commission under the price cap and the rate which would have been permitted under rate of return regulation. Further, the Commission will be required to identify the overall rate of return which dominant carriers will realize under price cap.

The Comptroller General will review and analyze the Commission's data, reports, studies, and other information used in its report to Congress. Specifically:

First, the GAO will submit a report to Congress on whether the information proffered to the Commission is adequate to determine whether common carrier rates and charges are just, reasonable, and nondiscriminatory, in conformance with the Communications Act of 1934;

Second, the GAO will analyze the accuracy and reliability of the Commission's conclusions with regard to the comparisons of the price cap and rate of return regulatory methodologies and their suitability under the Communications Act of 1934;

Third, the GAO will evaluate the effects of the price cap methodology on residential telephone usage—including night and weekend discount periods; competition in the interexchange market; and services and rates for rural telephone customers, and State regulation of intrastate telephone service;

Fourth, the GAO will report other findings and recommendations necessary or appropriate in the public interest; and

Fifth, the GAO shall promptly notify the Commission, if there is any necessary data which is uncollected. The Commission shall remedy any reported deficiency.

I urge my colleagues to support this legislation which is necessary to ensure that consumer's telephone rates and service are not adversely affected by this untested form of regulation.

## THE RURAL HOSPITAL RECOVERY ACT OF 1989

### HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. DORGAN of North Dakota. Mr. Speaker, today I am introducing the Rural Hospital Recovery Act of 1989 along with the support of my colleagues from the House Rural Health Coalition. This bill is intended as an important step in addressing the current crisis that rural America is facing in its health care delivery system. By introducing this legislation, I and the rest of the rural health coalition are contributing to the debate on what Congress must do to save rural hospitals throughout the country.

The Rural Hospital Recovery Act of 1989 is designed to help the many struggling rural hospitals nationwide to get back on their feet. I know that in my State and in States throughout the country there are many rural hospitals that are teetering on the edge and on the verge of closing. Sadly enough, 43 rural hospitals closed their doors last year and an estimated 600 rural hospitals face the prospect of closing in the next 5 years. The statistics on recent trends on rural hospital closures and operating margins clearly indicate that something must be done immediately if we expect the health care delivery system in rural America to survive through the next decade.

The fundamental issue in the rural health crisis is that of access to essential health care. In some large cities the closing of one hospital might be an inconvenience, but in a rural area, the situation is more serious than that. It can mean life or death to persons who must travel miles and miles trying to reach a hospital with someone who is critically ill. Congress must decide now whether it is willing to support rural hospitals in this country.

The Rural Hospital Recovery Act of 1989 is a proposal in what Congress can do to help keep rural hospitals open so that millions of Americans, many of them Medicare beneficiaries, can continue to have essential access to health care in rural areas. Since rural hospitals are typically more dependent upon Medicare patients for their revenues than their urban counterparts, adjustments in our current Medicare policy can make a tremendous impact on the fiscal health of rural hospitals.

This bill calls for the elimination of the current differential in the standardized rate in Medicare payments to rural and urban hospitals. At the present time the differential in the Medicare standardized rate is approximately 11 percent less to rural hospitals than to urban hospitals. With all the adjustments measured in Medicare payments to rural hospitals the actual differential is about 40 percent. A recent comparison of Medicare's payment of top DRG's showed that a rural hospital in North Dakota received over $1,000 less for a treatment of a heart failure patient than an urban hospital 60 miles away.

At a minimum, Congress must eliminate the differential in the standardized rate. The different rate has placed rural hospitals at an unfair disadvantage. The elimination of the differen-

tial and the establishment of a single national rate is simply a matter of equity and a fulfillment of a promise. When the prospective payment system was established over 5 years ago rural hospitals were promised that a single national rate would be phased in. In light of the current crisis that rural hospitals are now facing, it is time that this promise was fulfilled.

This bill would phase in a single national rate over a 3-year period. However, this can not be seen as the answer for rural hospitals. Some immediate measures must be taken to ensure that the alarming rate of rural hospital closures does not continue. Therefore, this bill proposes that certain special protections be provided to small rural hospitals until a single national rate is in effect. This protection will come in the form of additional payments that will guarantee that rural hospitals with less than 100 beds and are dependent upon Medicare patients for at least 55 percent of their inpatient days receive reimbursement for reasonable costs.

The center piece of the Rural Hospital Recovery Act is that it establishes the Critical Access Facilities Program. This program will designate certain rural hospitals that, because of their geographic location and economic accessibility to Medicare patients, provide the sole source of health care to a community and therefore must remain open. These Critical Access Facilities will receive additional payments above the PPS reimbursement.

This bill also makes certain modifications to the Sole Community Hospitals Program, establishes a Medicare Geographic/Critical Access Facility Classification Review Board, and extends the classification of the rural referral centers. Because of the current shortage of health care professionals in rural areas, this bill also contains provisions which will encourage nurses and physicians to practice in rural areas.

I encourage my colleagues in this Chamber to join me and the members of the rural health coalition to respond decisively to help rural health care in rural America.

A copy of the Rural Hospital Recovery Act of 1989 appears below:

H.R. —

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

SECTION 1. SHORT TITLE.

This Act may be cited as the "Rural Hospital Recovery Act of 1989".

SEC. 2. CREATION OF LEGISLATION WHICH ELIMINATES DIFFERENT AVERAGE STANDARDIZED AMOUNTS FOR HOSPITALS IN DIFFERENT AREAS AND CREATES SEVERITY-OF-ILLNESS ADJUSTMENT.

(a) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Secretary of Health and Human Services (hereafter in this section referred to as the "Secretary") shall draft and submit to Congress and the Prospective Payment Assessment Commission legislation to require the use of unified average standardized amounts of allowable operating costs per inpatient hospital discharge for all hospitals participating in the medicare program which are paid for the operating costs of inpatient hospital services under such program under a prospective payment system, regardless of whether such hospitals are located in large urban, other urban, or rural areas. Such legislation shall—

(1) provide that such unified average standardized amounts shall apply with respect to each hospital cost reporting period or fiscal year which begins on or after October 1, 1994, and shall include transition rules for the gradual implementation of the use of such amounts during the period which begins October 1, 1991, and ends September 30, 1994;

(2) provisions modifying the hospital payment provisions of the medicare program with regard to the calculation and award of outlier payments and the treatment of teaching hospitals, small rural hospitals, rural referral centers, sole community hospitals, and disproportionate share hospitals; and

(3) a provision requiring that diagnosis-related groups established by the Secretary to classify inpatient hospital discharges under the medicare program provide for variations based upon the severity of illness within such groups.

(b) REPORT AND STUDY BY CBO AND PROPAC.—Not later than 6 months after receiving the legislation described in subsection (a), the Prospective Payment Assessment Commission and the Congressional Budget Office shall each prepare and submit to Congress a report analyzing such legislation and containing an analysis of the probable impact of such legislation on hospitals participating in the medicare program.

SEC. 3. ADDITIONAL PAYMENTS FOR INPATIENT HOSPITAL SERVICES FURNISHED BY MEDICARE-DEPENDENT, SMALL, RURAL HOSPITALS.

Section 1886(d)(5) of the Social Security Act (42 U.S.C. 1395ww(d)(5)) is amended by adding at the end the following new subparagraph:

"(G)(i)(I) For discharges occurring on or after October 1, 1989, and on or before September 30, 1994, the Secretary shall provide for an additional payment for each medicare-dependent, small, rural hospital (as defined in clause (ii)).

"(II) For discharges occurring on or after October 1, 1994, the Secretary shall provide for an additional payment for each critical access facility designated by the Medicare Geographical Classification/Critical Access Facility Review Board pursuant to paragraph (10)(D).

"(ii) For purposes of this subsection, a 'medicare-dependent, small, rural hospital' is a hospital which is located in a rural area, has no more than 100 beds, and demonstrates to the satisfaction of the Secretary that not less than 55 percent of its inpatient-days during the cost-reporting period immediately preceding the date of the enactment of this subparagraph were attributable to individuals entitled to benefits under part A.

"(iii) The amount of the additional payment made under clause (i) shall be equal to the amount (if any) by which the hospital's reasonable costs (as determined by the Secretary without regard to the provisions of section 1861(v) and subsection (a)(1) which exclude from the determination of reasonable costs any part of incurred costs found to be unnecessary in the efficient delivery of needed health services) associated with an inpatient hospital discharge exceed the amount of the payment made under this subsection for such discharge without regard to this subparagraph.".

SEC. 4. ESTABLISHMENT OF APPLICATION PROCESS FOR RURAL HOSPITALS TREATED AS BEING LOCATED IN URBAN AREAS.

(a) IN GENERAL.—Section 1886(d)(8)(B) of the Social Security Act (42 U.S.C. 1395ww(d)(8)(B)) is amended by striking "For purposes of this subsection" and all that follows through "one or more urban areas" and inserting "Upon the application of a hospital located in a rural county adjacent to one or more urban areas, the Secretary shall treat such a hospital for purposes of this subsection".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to cost reporting periods or fiscal years beginning on or after October 1, 1990.

SEC. 5. MODIFICATIONS WITH RESPECT TO SOLE COMMUNITY HOSPITALS.

(a) IN GENERAL.—(1) Section 1886(d)(5)(C)(ii) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(C)(ii)) is amended by striking the first sentence and inserting the following new sentence: "With respect to a subsection (d) hospital which is a sole community hospital, payment under paragraph (1)(A) for any cost reporting period or fiscal year beginning on or after October 1, 1989, shall be equal to the sum of—

"(I) 75 percent of the greater of the hospital's target amount (as defined in subsection (b)(3)(A), but determined without the application of subsection (a)), or a target amount determined by the Secretary by averaging the allowable operating costs of inpatient hospital services recognized under this title for such hospital during the 3 most recent 12-month cost reporting periods, using information from the most recent cost reporting period or periods available; and

"(II) 25 percent of the greater of the applicable regional or national adjusted DRG prospective payment rate determined under paragraph (3).".

(2) Section 1886(d)(5)(C)(ii) of such Act is further amended by striking the period at the end of the last sentence and inserting the following: ", including a hospital located more than 30 miles from other like hospitals and a hospital located 30 miles or less from other like hospitals if not more than 40 percent of residents who become hospital inpatients or not more than 40 percent of the individuals entitled to benefits under part A in the hospital's service area are admitted to other like hospitals located within a 30-mile radius of the hospital (or, if larger, within its service) area).".

(b) STUDY OF APPEALS FROM PAYMENT ADJUSTMENT DECISIONS.—Not later than October 1, 1990, the Secretary of Health and Human Services shall prepare and submit to Congress a report analyzing the process by which a hospital which is a sole community hospital for purposes of determining its payment for the operating costs of inpatient hospital services under the medicare program may appeal a decision by the Secretary to not adjust its payment under the volume adjustment provision of section 1886(d)(5)(C)(ii) of the Social Security Act.

SEC. 6. ESTABLISHMENT OF MEDICARE GEOGRAPHICAL CLASSIFICATION/CRITICAL ACCESS FACILITY REVIEW BOARD.

Section 1886(d) of the Social Security Act (42 U.S.C. 1395ww(d)) is amended by adding at the end the following new paragraph:

"(10)(A)(i) There is hereby established the 'Medicare Geographical Classification/Critical Access Facility Review Board' (hereafter in this paragraph referred to as the 'Board').

"(ii) The functions of the Board shall be to designate certain hospital as critical access facilities, to hear appeals from rural hospitals which the Secretary determines do not qualify for treatment as being located in an adjacent urban metropolitan statistical area, and to conduct hearings with respect to the refusal of the Secretary to consider a hospital a sole community hospital for purposes of subsection (d)(5)(C)(ii).

"(B)(i) The Board shall be composed of 7 members appointed by the Secretary not later than 60 days after the date of enactment of the Rural Hospital Recovery Act of 1989, of whom—

"(I) 3 shall be representatives of subsection (d) hospitals located in rural areas;

"(II) 1 shall be a representative of a subsection (d) hospital located in an urban area;

"(III) 1 shall be a member of the Prospective Payment Assessment Commission;

"(IV) 1 shall be an individual with particular knowledge of the field of analyzing and determining the costs of providing inpatient hospital services; and

"(V) 1 shall be an individual who is an expert in the field of demographics.

"(ii) Members of the Board shall be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service. Members shall be appointed for terms of 3 years (except that initial members of the Board shall be appointed for shorter terms to the extent necessary to permit staggered terms of office), and may be reappointed. A vacancy in the Board shall be filled in the manner in which the original appointment was made, except that any member appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. At the discretion of the Secretary, a member may serve after the expiration of his term until his successor has taken office.

"(iii) Each member of the Board who is not an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for grade GS-18 of the General Schedule under section 5332 of title 5, United States Code, for each day (including travel time) during which said member is engaged in the performance of the duties of the Board. Each member of the Board who is an officer or employee of the United States shall receive no additional pay on account of their service on the Board.

"(iv) Members of the Board shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Board.".

"(C)(i) The Board shall have the power to make any rules and establish any procedures, not inconsistent with the provisions of this title or regulations of the Secretary, which are necessary or appropriate to carry out the provisions of this paragraph. In the course of any hearing the Board may administer oaths and affirmations. The provisions of subsections (d) and (e) of section 205 with respect to subpoenas shall apply to the Board to the same extent as such provisions apply to the Secretary with respect to title II.

"(ii) The Board is authorized to engage such technical assistance and to receive such information as may be required to carry out its functions, and the Secretary shall, in addition, make available to the Board such secretarial, clerical, and other assistance as the Board may require to carry out its functions.

"(D) The Board shall designate a hospital as a critical access facility for purposes of paragraph (5)(G)(i)(II) if such hospital—

"(i) is a medicare-dependent, small, rural hospital (as defined in paragraph (5)(G)(ii); and

"(ii) demonstrates to the satisfaction of the Board that, on the basis of its geographic location, local topography or periods of prolonged severe weather conditions in the area, the availability of other hosptials to serve individuals residing in the area who are entitled to benefits under part A, and such other factors as the Board (in consultation with the Secretary) may require, the hospital must receive the additional payment described in paragraph (5)(G)(iii) in order to continue to deliver critical health care services to individuals living in a rural area.

"(E)(i) The Board shall hear appeals from rural hospitals which have applied to be treated as being located in an adjacent urban metropolitan statistical area under paragraph (8)(B) and which the Secretary has determined do not meet the criteria for such treatment described in such paragraph, if, not later than 6 months after the Secretary makes such a determination, such hospital files a notice containing such information as the Board may require.

"(ii) In deciding an appeal under this subparagraph, the Board shall consider the relative labor costs of the rural hospital and a similar hospital in the adjacent urban area, the commutation rates between the rural and urban counties in question, and such other criteria as the Board (in consultation with the Secretary) may require.

"(iii) Not later than 90 days after an appeal is filed under this subparagraph, the Board shall render a decision either affirming the Secretary's decision to reject the hospital's application under paragraph (8)(B) or directing the Secretary to treat the hospital as being located in an adjacent urban metropolitan statistical area under such paragraph.

"(F) Not later than July 1, 1989, the Board shall publish the criteria to be used in making designations under subparagraph (D) and deciding appeals under subparagraph (E).

"(G) Not later than July 1, 1993, the Secretary, in consultation with the Board, shall prepare and submit a report to Congress evaluating the Board's activities since its establishment and recommending any necessary changes in its duties and composition.".

SEC. 7. TREATMENT OF REGIONAL REFERRAL CENTERS.

(a) EXTENSION OF REGIONAL REFERRAL CENTER CLASSIFICATION.—Any hospital that is classified as a regional referral center under section 1886(d)(5)(C)(i) of the Social Security Act as of September 30, 1989, including a hospital so classified as a result of section 9302(d)(2) of the Omnibus Budget Reconciliation Act of 1986, shall continue to be classified as a regional referral center for any cost reporting period beginning on or after October 1, 1989, and ending on or before the last day of the last hospital cost reporting period or fiscal year which ends before the implementation under the medicare program of unified average standardized amounts of allowable operating costs per inpatient hospital discharge for all hospitals participating in such program which are paid for the operating costs of inpatient hospital services under such program under a prospective payment system, regardless of whether such hospitals are located in large urban, other urban, or rural areas.

(b) CONTINUATION OF CURRENT PAYMENT RATE.—In determining the amount that is payable under section 1886(d) of the Social Security Act to a hospital that is classified as a regional referral center for purposes of payment under such section, for a discharge occurring during the period described in subsection (a), Secretary of Health and Human Services shall use the average standardized amount that is applicable to discharges from a hospital that is located in an urban area (other than a large urban area) in the region in which the hospital so classified is located (as such terms are used in such section).

SEC. 8. MODIFICATIONS IN GRANT PROGRAM FOR RURAL HEALTH CARE TRANSITION.

(a) IN GENERAL.—Section 4005(e) of the Omnibus Budget Reconciliation Act of 1987 (42 U.S.C. 1395ww note) is amended—

(1) in paragraph (3)(A) by striking "an application to the Governor" and inserting "an application to the Administrator and a copy of such application to the Governor";

(2) in paragraph 3(B) by striking "any application" and all that follows through "accompanied by" and inserting in lieu thereof "to the Secretary";

(3) in paragraph (6) by striking "$50,000 a year" and all that follows through "2 years" and inserting the following: "$50,000 a year (unless the Secretary determines that an amount in excess of $50,000 a year is necessary to assist a hospital receiving such a grant in implementing a project as described in paragraph (1)), and may not exceed a term of 3 years"; and

(4) in paragraph (9) by striking "$15,000,000 for each of the fiscal years 1989 and 1990" and inserting "$25,000,000 for each of the fiscal years 1990, 1991, and 1992".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to applications for grants under the Rural Health Care Transition Grant Program described in section 4005(e) of the Omnibus Budget Reconciliation Act of 1987 submitted on or after October 1, 1989.

(c) REPORT BY SECRETARY.—Not later than April 1, 1990, the Secretary of Health and Human Services, in consultation with the Director of the Office of Rural Health Policy, shall submit a report to Congress identifying laws, rules, and regulations which, in his opinion, prevent rural hospitals from providing services such as home-based care, respite care, or other innovative patient services, or which provide rural hospitals with disincentives to providing such services.

SEC. 9. DEMONSTRATION PROJECT FOR CERTAIN NURSING EDUCATION PROGRAMS.

(a) IN GENERAL.—Not later than October 1, 1990, the Secretary of Health and Human Services shall conduct a demonstration program in 5 eligible hospitals under which a payment in the amount described in subsection (c) shall be made to each such hospital during each hospital cost reporting period which begins on or after October 1, 1990, and ends October 1, 1995.

(b) ELIGIBILITY.—(1) A hospital shall be eligible to participate in the demonstration program described in this section if such hospital—

(A) receives payments under part A of title XVIII of the Social Security Act;

(B) is located in a rural area;

(C) submits an application at such time and containing such information as the Secretary may require by rule; and

(D) has in effect at the time it submits such an application a written agreement with an institution of higher education under which undergraduate nursing students or nurses-in-training from an institution of higher education which has an approved nursing teaching program provide nursing services to the hospital.

(2) In deciding which hospitals shall participate in the demonstration program described in this section, the Secretary shall give preference to hospitals which have a small number of beds or which are sole community hospitals.

(c) DESCRIPTION OF PAYMENT.—The amount of a payment made under this section for any cost reporting period is equal to the amount a participating hospital would have received under part A of title XVIII of the Social Security Act in such a cost reporting period if the costs of the nursing services provided by nursing students or nurses-in-training under an agreement described in subsection (b)(1)(C) were treated as the costs of approved educational activities for which payment would be made under such title during such cost reporting period, except that the amount paid to a hospital under this section during any cost reporting period may not exceed $200,000.

(d) REPORT TO CONGRESS.—Not later than January 1, 1996, the Secretary shall submit a report to Congress describing the demonstration programs conducted under this subsection and the effect of such programs on the supply and qualifications of the nurses participating in such programs.

SEC. 10. AMENDMENTS TO RURAL HEALTH MEDICAL EDUCATION DEMONSTRATION PROJECTS.

(a) NUMBER OF PROJECTS.—Section 4038(a) of the Omnibus Budget Reconciliation Act of 1987 (42 U.S.C. 1395ww note) is amended by striking "four sponsoring hospitals" and inserting "10 sponsoring hospitals".

(b) SELECTION CRITERIA.—Section 4038(c) of such Act is amended—

(1) by striking "In selecting" and inserting "(1) Except as provided in paragraph (3), in selecting";

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B); and

(3) by adding at the end the following new paragraphs:

"(2) In selecting from among applications submitted under subsection (a), the Secretary shall give priority to projects which provide small rural hospitals with resident physicians for longer periods of time and projects which give physicians from the small rural hospital the opportunity to work or study at the sponsoring hospital.

"(3) The provisions of paragraph (1) shall not apply with respect to applications submitted on or after the date of the enactment of the Rural Hospital Recovery Act of 1989.".

(c) EXTENSION OF RESIDENT'S TIME.—Section 4038(b) of such Act is amended by striking "one to three months" and inserting "not more than 2 years".

(d) DURATION OF PROJECT.—Section 4038(e) of such Act is amended by striking "this Act" and inserting "this Act (except that a project conducted as a result of the enactment of the Rural Hospital Recovery Act of 1989 shall be commenced not later than 6 months after the date of enactment of such Act)".

(e) ELIGIBILITY OF CONSORTIUMS OF RURAL HOSPITALS.—Section 4038(f) of such Act is amended—

(1) by striking "DEFINITION.—In this section," and inserting "DEFINITIONS.—(1) In this section,"; and

(2) by adding at the end the following new paragraph:

"(2) The term 'small rural hospital' includes a group of small rural hospitals located in the same county which enter into a joint agreement to participate in a project under this section and to share the services of a resident physician provided by a sponsoring hospital.".

## THE RURAL HEALTH CARE COALITION'S 1989 AGENDA

### HON. THOMAS J. TAUKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 22, 1989*

Mr. TAUKE. Mr. Speaker, today, the House Rural Health Care Coalition, which I founded and cochair with my colleague, Congressman MIKE SYNAR, introduced its legislative agenda for this year. The coalition is a bipartisan group of over 100 Members representing 42 States who have joined together to educate, advocate, and legislate to ensure that rural Americans have access to high-quality, community-based health care services.

The coalition is the best example I can give of how important the voice of the individual constituent and grass roots advocacy and education continue to be in shaping policy here in Congress. The coalition is the direct result of the efforts tht rural hospital administrators, doctors, nurses, and other health professionals and community leaders have made to educate my colleagues and me. They educated us to the unique challenges of delivering health care in rural America and to the threat that reimbursement policies set at the Federal level with little understanding of these challenges was posing to access to basic health care services in rural areas.

We learned from our constituents of the substantial differentials in Medicare payments for rural and urban hospitals, physicians, and other providers and the disastrous impact these differentials were having on rural hospital operating margins and on the ability of communities to attract and retain physicians and other health care professionals.

Nationwide, more than 160 rural hospitals have closed their doors since 1980, and 600 more are in danger.

Nationwide, we have a shortage of almost 1,800 rural primary care providers, and as many as 25 percent of rural physicians may retire or leave their communities within the next 5 years. In Iowa, I have 178 communities competing to attract over 300 greatly needed primary care physicians.

We learned that the prospective payment system assumes that hospitals have the volume to balance losses on some cases against gains on others. The low volume characteristic of rural hospitals places them at a disadvantage. One or two high-cost cases can spell disaster, particularly given the high percentage of Medicare cases these hospitals treat.

We learned that rural hospitals are often the largest employers in their communities and the key to attracting and retaining physicians and other health care providers. When we lose our hospitals, we lose not only access to acute care, but nursing care, home health care, physicians' care, jobs, and the ability to attract new businesses and industries to our communities.

We learned that while the elderly comprise 12 percent of the total population in the United States, they account for over 25 percent of the rural population. Thus, our health care providers are particularly dependent upon Medicare and particularly affected by inequitable reimbursement rates and by Medicare policy changes.

We also learned that a disproportionate share of the rural population is poor and uninsured and that rural providers often shoulder a heavier burden of providing uncompensated care.

Seventeen percent of the rural population is uninsured versus 14 percent of the urban.

Only one-fourth of the rural poor qualify for Medicaid, versus 43 percent of the urban poor.

We learned, in short, that rural Americans' access to community-based, basic health care services was in grave peril and that while Federal policies were not the root cause of all of the problems behind this looming crisis in rural health care, Federal policies were clearly contributing and Federal action was clearly warranted on a wide range of issues.

After working informally together on these policies and issues since 1984, we formally organized the coalition in 1987 to provide a unified voice in the House of Representatives for rural health. Our goal is to ensure that every rural American has access to high-quality, community-based health care services.

We have enjoyed success with our past initiatives to reduce the urban/rural Medicare payment differentials, to enact incentives to attract and retain health professionals in rural practices, to create an Office of Rural Health Policy and a National Advisory Committee on Rural Health, and to stimulate research on rural health needs and services' delivery. In addition to continuing our efforts in these areas, the coalition will also focus its attention this year on several other areas of critical importance: access to emergency services, the prevention of accidents and disease related to rural occupations, and the problem of infant mortality.

We have learned, for example, that farming is among the most hazardous of occupations and that more generally, the death rate from accidents is twice as high in rural areas as it is in the largest cities. Many rural communities lack even the most basic emergency services personnel and equipment.

In my service on the Rural Health Coalition and on the National Commission to Prevent Infant Mortality, I have also learned much about our Nation's infant mortality problem and its root causes. The tragic death of infants cuts across rural and urban boundaries, although rates are higher in rural areas and the number of low birthweight babies is rising in rural poor counties. We have also learned that improving coverage for prenatal care is

one key to this problem, but we also must be more aggressive in our efforts to reach out to the potentially eligible and assist them in obtaining coverage and care.

Much remains to be done. Today, in our continuing efforts to educate, advocate, and legislate on behalf of a strong rural health care system, we have introduced a broad range of initiatives which, when enacted, will bring us closer to our goal of ensuring that every rural American has access to community-based, basic health care services.

I have provided a summary of the initiatives and request permission to have this text inserted after my statement.

THE RURAL HOSPITAL RECOVERY ACT

(Chief Sponsor: Byron Dorgan)

(1) Eliminate Separate Urban and Rural Rate in Medicare Reimbursement:

(A) The Secretary of HHS would be required to present a proposal to Congress by October 1, 1990, that would eliminate Medicare's current differential payment rates for urban and rural hospitals. The proposal would include a three-year phase in period to establish a single base rate beginning October 1, 1991 and fully effective on October 1, 1994.

(B) The Secretary would be required to include recommendations for appropriate adjustments to measure variations in severity of illness in the same DRG, area wage costs, (in developing this proposal, the Secretary will incorporate a study and report on the impact of distinguishing contract labor costs and non-current labor and professionals and non-professionals in the area wage indexes) and other appropriate adjustments the Secretary deems appropriate. These recommendations will be due to Congress one year after date of enactment.

(C) The Secretary would be required to include recommendations for changes needed in Medicare's treatment of teaching hospitals, small rural hospitals, rural referral centers, disproportionate share hospitals, and outlier cases. The Secretary will report these recommendations to Congress one year after date of enactment.

(D) The Secretary's report will be reviewed by both the Prospective Payment Assessment Commission and the Congressional Budget Office. Each will submit a report and impact analysis to Congress by April 1, 1991.

(2) Interim Protection for Rural Hospitals:

(A) Beginning October 1, 1989 and ending October 1, 1994, rural hospitals with 100 or fewer beds and dependent on Medicare for 55 percent or more of inpatient services (measured by inpatient days) would receive an additional payment to ensure that total payments for inpatient hospital services would be at least equal to the reasonable costs of those services for Medicare patients.

(B) In defining reasonable costs, the Secretary could not impose limits based on the average costs incurred by hospitals (formally known as Section 223 limits).

(B) Hospitals receiving these payments would remain on PPS and any periodic interim payments made to them would reflect an estimate of additional payment amounts.

(C) The authorization for periodic interim payments would be permanently extended under PPS.

(3) Modifications of Sole Community Hospitals Program:

(A) Effective October 1, 1989, the eligibility criteria for the sole community hospitals program will be changed with respect to the following:

(i) Reduce the Market Share Criterion from 75 percent to 60 percent;

(ii) Reduce the distance requirement from 50 miles to 30 miles.

(B) The Secretary of HHS would be required to update the hospital-specific portion of the current sole community hospital reimbursement to reflect the most recent cost experience of the hospital. Payment would be calculated on the basis of a rolling average of 3 of the most recent years of the hospital's cost experience. However, SCHs would be held harmless from any reductions below their current hospital-specific costs. This would be effective October 1, 1989.

(C) Require the Secretary of HHS to study and report to Congress on October 1, 1990, on changes necessary to improve the appeals process under the five percent volume adjustment provision in the current program.

(D) The Sole Community Hospitals program will retain all current protections (e.g., volume adjustment, capital reimbursement).

(4) Establishment of Critical Access Facilities Program:

(A) The Secretary, with consultation with the Office of Rural Health Policy, shall identify criteria for the identification of "Critical Access Facilities." Rural hospitals with 100 beds or fewer and dependent on Medicare for 55 percent or more of inpatient services would be eligible for identification as Critical Access Facilities.

(B) The Secretary's findings shall be reported to Congress by January 1, 1991.

(C) Critical Access Facilities would receive an additional payment to ensure that total payments for inpatient hospital services would be at least equal to the reasonable costs of those services for Medicare patients.

(D) Indefining reasonable costs, the Secretary could not impose limits based on the average costs incurred by hospitals (formally known as Section 223 limits).

(E) Hospitals receiving these payments would remain on the prospective payment system, and any periodic interim payments made to them would reflect an estimate of additional payment amounts.

(F) Identifications for Critical Access Facilities would be made by the new Medicare Geographical/Critical Access Classification Review Board (cf: Section 5). Designations will be subject to periodic review by the Board on a bi-annual basis.

(G) The designation of Critical Access Facilities will be effective October 1, 1994 (when a single national rate is established).

(5) Establishment of Medicare Geographical Classification Review Board:

(A) Effective January 1, 1990, the Secretary shall have appointed a seven-member Medicare Classification Review Board. The Board's membership will represent the following criteria:

Three of the seven members would be required to represent rural hospitals;

One of the seven members would represent urban hospitals;

One of the seven members would be a PROPAC representative;

One of the seven members would be an expert in the field of hospital cost analysis; and

One of the seven members would be an expert in demographics.

(B) The membership will reflect a geographic balance and the members will be appointed to 3 year terms.

(C) This board would have the authority to:

Designate Critical Access Facilities and review these designations on a bi-annual basis.

Rule on applications from rural hospitals to be considered as located within an adjacent Metropolitan Statistical Area for purposes of Medicare PPS reimbursement.

The Secretary would be required to establish the criteria for which border hospitals can apply for an urban rate. This proposal would include conditions under which an applicant would have to demonstrate that they should receive an urban rate on the basis of:

Their labor costs in that are comparable to the labor costs of an adjacent urban hospital with similar case-mix; or

The commutation from the rural county to the urban county equals 15 percent of the rural country's workforce or the commutation between the rural and urban county equals 20 percent of the rural county's workforce; or

What other conditions that the Secretary may determine.

Rule on applications from hospitals which have been denied sole community status to have this denial overturned on the basis of their meeting the sole community hospital status criteria.

(D) The Secretary would be required to issue guidelines to be used by the Board in its determinations, effective upon the appointment of the Board.

(E) In regards to the geographic review determinations for border hospitals, the urban hospitals adjacent to the applicant will be held harmless from reductions in their wage index or other factors in the payment calculations which may reduce their payment rate because of the favorable decision on behalf of the applicant.

(F) Applications would be filed by January 31st of each year, and board decisions would be required to be made by June 1st.

(G) In cases of unfavorable decisions, the applicant can appeal to the Secretary. The Secretary's decision in such an appeal is final.

(6) Extend Rural Referral Center Classification:

(A) Extend the Rural Referral Center Classification for all hospitals that qualify as of September 30, 1989. These hospitals would retain this classification until a single national rate is established.

(B) Prohibit HHS from altering the current reimbursement formula.

(7) Increased Authorizations for Rural Health Care Transition Grant Program:

(A) Increase authorization from $15 million to $25 million for fiscal year 90, 91, & 92.

(B) Require the Secretary, in consultation with the Office of Rural Health Policy, to identify federal regulatory and statutory barriers to hospitals diversifying their services and offering such services as adult day care, respite care, and similar services in their communities. Report to Congress effective April 1, 1990.

(8) Demonstration Programs for Nursing Education:

Rural hospitals could qualify on a demonstration basis for expanded Medicare payments for undergraduate nursing education where the hospital forms a cooperative agreement with a school of nursing by providing a setting for clinical training. Small and sole community hospitals would receive preference in awarding demonstration grants.

(9) Expand the Rural Health Education Demonstration Program:

(A) An additional 6 schools would be added to the program.

(B) Allow multiple rural hospitals in a consortium or individually to form liaisons with a sponsoring medical school.

(C) Allow the agreement for the resident's time rotation to extend to a two year period. Authorize the Secretary to give priority to those applications which encourage longer stays in the rural area.

(D) The Secretary would be encouraged to examine and implement ways in which to promote the exchange of rural physicians with the medical school for limited periods of time.

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MATERNAL AND CHILD HEALTH IMPROVEMENT ACT

(Chief Sponsor: Mike Synar)

Amend Title 5 of the Social Security Act to provide new funds for states that develop programs to streamline the eligibility process for federal maternal-child health programs, improve public education about these programs, and provide personalized care to at risk women and their children during the first year of life.

The bill increases the authorization for the Maternal-Child Health Program by $50 Million in FY90. (FY89 authorization is $561 Million) It creates a new "special project grant" which can be funded at up to $50 Million and will be administered by the Bureau of Maternal-Child Health.

The kinds of projects which would be funded would include:

(1) Efforts to provide "one-stop" shopping for eligibility of federal assistance by outstationing eligibility workers in more convenient locations. Presently a low-income woman may have to go to several different agencies to sign up for WIC, AFDC, Food Stamps, and Medicaid benefits. Outstationing eligibility workers would permit a potential client to sign up for all of these benefits at once. Outstationed workers could be placed in hospitals, health clinics or other appropriate places.

(2) Improving public education about benefits and eligibility criteria. Many women now receiving federal benefits, e.g. Title X family planning services, Title V MCH services, would also be eligible for Medicaid but aren't on the program.

(3) Providing personalized consultations at home to at risk mothers and their children in the first year of life. Prenatal care must begin early and must be continuous. Trained workers, either health professionals or volunteers, making regular visits to pregnant mothers can help monitor nutritional progress and answer questions during pregnancy and the first year of the child's life.

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THE RURAL HEALTH CLINIC AMENDMENTS

(Chief Sponsor: Tom Tauke)

I. BACKGROUND

Congress enacted the Rural Health Clinics Act in 1977 to improve access to primary and emergency care services. The Act authorized Medicare and Medicaid payments to clinics for services provided by nurse practitioners and physician assistants. Clinics must be located in a rural area designated by HHS as having a shortage of health services or primary medical care professionals (that is, in a Health Manpower Shortage Area or a Medically Underserved Area).

Regulations require that a NP or PA be present in the clinic at least 60 percent of the time the clinic is open. While the services of pediatric nurse practitioners or other specialized NPs are reimbursed when provided through rural health clinics, only primary care NPs are counted toward meeting the 60 percent requirement. Clinics must have arrangements with a supervising physician(s) who need not be present when the clinic is open, but who reviews care plans, is available for consultation and referral, and visits the clinic at least once every two weeks. In the last Congress, we amended the Act to provide payment for the services of psychologists to improve access to mental health services in rural areas. While this addition was welcomed, we have since received testimony that in many rural areas, clinical social workers are the primary or only source of mental health services.

Independent rural health clinics are reimbursed an all-inclusive rate per visit, which the Coalition succeeded in increasing from $32.10 to $46.00. Clinics which are part of a hospital, skilled nursing facility, or home health agency are reimbursed on a cost basis.

When the 1977 Act was passed, it was estimated there would be 2,000 clinics by 1990. Since 1978, HCFA has approved 826 clinics, but 388 have withdrawn from the program. Today, there are only 438 clinics. Some barriers to establishing and retaining clinics include: lack of knowledge about the program; restrictive state practice acts; administrative barriers; and a shortage of NPs and PAs.

The Rural Health Clinic Act Amendments are designed to reduce administrative barriers, require the dissemination of information about the program, and increase the availability of pre-natal care and mental health services in rural areas.

II. SUMMARY OF RURAL HEALTH CLINIC ACT AMENDMENTS

A. Staffing requirements:

Reduce the 60 percent coverage requirement to 50 percent.

Allow the presence of a nurse-midwife to be counted toward meeting the 50 percent requirement.

B. Coverage of Social Workers Services:

Provides Medicare and Medicaid payment for the services of clinical social workers provided through rural health clinics.

C. Expansion of Areas in which Rural Health Clinics May Be Located:

Clarifies current law.

Gives the governors of states the ability to designate areas with the approval of the Secretary of HHS.

References the migrant health clinic statute to specifically allow rural health clinics to be certified where migrant health clinics may now be located.

Gives Secretary of HHS the authority to designate areas in which special populations (migrants, minorities, poor) are experiencing health manpower shortages.

D. Dissemination of Information:

Requires Secretary of HHS, in consultation with the Office of Rural Health Policy, to disseminate information about the Rural Health Clinic program to health care facilities, governors, and other appropriate state officials.

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RURAL EMERGENCY MEDICAL SERVICES IMPROVEMENT ACT

(Chief Sponsor: Jim Cooper)

BACKGROUND

Studies show the death rate from accidents is twice as high in rural areas as it is in the largest cities. Rural areas only have 20% of the EMS caseload nationwide, but 70% of highway fatalities take place there.

Long distances and rugged terrain make optimal EMS services inherently difficult. Many rural areas lack the economic base to support sophisticated EMS infrastructure. Other factors exacerbating the situation are the alarming rate of rural hospital closures, the dearth of 911 systems, the drain of trained personnel to higher-paying urban jobs, and the difficulty getting access to training.

Current federal programs focus on planning EMS systems. Those plans' effectiveness in rural America will be hampered if they don't even have the basics.

DESCRIPTION

The Rural Emergency Medical Services Improvement Act will help rural areas get at least the basics in three ways:

I. Establishes a new $45 million block grant program to states to recruit, train, and retain pre-hospital emergency medical personnel; purchase, upgrade, and maintain emergency medical equipment; and develop preventative education programs for rural occupational health and safety. Funds can only be targeted to rural parts of the state.

In order to receive funding, states must ensure their EMS plan makes provision for an adequate level of EMS services in rural areas. Funding formula is based 50% on rural population and 50% on geographic size, with no state getting less than $300,000.

II. Requires HCFA to conduct a comprehensive study of Medicare's reimbursement of ambulances with special emphasis on whether or not those policies promote the most efficient services and ensure an adequate level of service in rural areas.

III. Authorizes demonstration projects, including continuing education for rural EMS personnel, and community-based centers to provide comprehensive preventative occupational health and safety services.

We've been working with the National Association of State EMS Directors, the National Rural Health Association, the National Coalition on Agricultural Safety and Health, the American Ambulance Association, and others.

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SENSE OF CONGRESS RESOLUTION ON MEDICARE PHYSICIAN PAYMENT REFORM

(Chief Sponsor: Jim Slattery)

The existing Medicare physican reimbursement system has a negative effect on the ability of rural communities to attract and retain physician services. For example, the reasonable charges of some Medicare services vary by as much as 200 percent between geographic areas.

This is contributing to the problem rural hospitals have in recruiting and retaining doctors. The House Rural Health Care Coalition feels strongly that Congress must act to correct these discrepancies between urban and rural fees.

For these reasons, the Coalition will introduce a Sense of the Congress Resolution stating the need to reconcile the existing disparity between rural and urban physician fees under the Medicare program.

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RURAL HEALTH PROFESSIONALS EDUCATION LOAN INTEREST DEDUCTION ACT

(Chief Sponsor: Guy Vander Jagt)

I. BACKGROUND

Rural communities and health care facilities are finding it increasingly difficult to attract physicians, nurses, and allied health professionals. Medicare reimbursement rates are often substantially lower in rural areas, and elderly persons are likely to form a higher percentage of patients. Thus, a

physician, nurse, or allied health professional entering practice with a substantial education loan debt is likely to find rural practice less attractive.

The 1986 Tax Reform Act phased out the deduction for education loan interest as part of the phase out of "consumer loan" interest. The interest on debt secured by first or second homes and used for educational purposes is still deductible, but many graduating professionals may not have homes against which to borrow.

II. PROPOSAL

Restore the deduction for education loan interest for physicians, nurses, and allied health professionals who agree to practice in Medically Underserved Areas (MUAs) or Health Manpower Shortage Areas (HMSAs). The deduction would remain in effect for as long as the health professional continued to practice in the MEA or HMSA and would also be available for loans for continuing professional education.

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OFFICE OF RURAL HEALTH POLICY AMENDMENTS

(Chief Sponsor: Bob Whittaker)

I. BACKGROUND

In 1987, the Coalition introduced legislation calling for the creation of a Deputy Undersecretary for Rural Health. The Secretary of HHS created an Office of Rural Health Policy in the Health Resources and Services Administration of the Public Health Service. Subsequently, the Senate added provisions to the 1987 Omnibus Reconciliation Act authorizing the Office. No appropriations authorization was included, and the activities of the Office are partially funded from funds taken from a $1.5 million appropriation for funding rural research centers. That appropriation is administered by the Office.

The Coalition's intention in creating a deputy undersecretary for rural health was to have an office in the position to oversee both HCFA and the Public Health Service programs as they relate to rural health. While there has been communication and consultation between HCFA and the Office, the Coalition continues to be concerned that the position of the Office is such that HCFA is free to disregard counsel. The Coalition is also concerned about the lack of specific budget authority for the Office to carry forth such tasks as establishing a clearinghouse on rural health research.

II. PROPOSAL

Creates an Undersecretary of Rural Health in the Office of the Secretary of HHS.

Transfers responsibilities of current Office of Rural Health Policy to the Office of the Undersecretary.

Adds language to indicate that it is the intent of Congress that the Office include mental health, infant mortality, and rural occupational safety and preventive health in its rural health activities and responsibilities.

## SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, March 23, 1989, may be found in the Daily Digest of today's RECORD.

### MEETINGS SCHEDULED

#### APRIL 3

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Office of Surface Mining, Office of the Secretary, Office of the Solicitor, and the Office of Inspector General, of the Department of the Interior.
S-128, Capitol

1:30 p.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the National Science Foundation.
SD-138

#### APRIL 4

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Education, focusing on the Office of the Secretary of Education, Salaries and Education (includes Program Administration, Office for Civil Rights, and Office of the Inspector General), Special Institutions (includes American Printing House for the Blind, National Technical Institute for the Deaf, Gallaudet and Howard Universities).
SD-138

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings to review the President's proposed budget request for fiscal years 1990 and 1991 for the National Aeronautics and Space Administration.
SR-253

Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To hold hearings on automobile fuel efficiency standards.
SD-366

10:00 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture, focusing on the Food and Drug Administration, Commodity Futures Trading Commission, Farm Credit Administration, and Farm Credit System Assistance Board.
SD-124

Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the National Science Foundation and the Office of Science and Technology Policy.
SD-116

Appropriations
Commerce, Justice, State, and Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990, focusing on the Department of State.
S-146, Capitol

Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Critical Materials Council, Executive Office of the President, Vice President's Residence, and the White House Residence.
S-126, Capitol

2:00 p.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for military base closures.
SD-116

Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the National Park Service, Department of the Interior.
SD-192

2:30 p.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Education, focusing on Compensatory Education for the Disadvantaged, Special Programs, Impact Aid, Bilingual Education, Immigrant and Refugee Education, Education for the Handicapped, Rehabilitation Services and Handicapped Research, and Vocational and Adult Education.
SD-138

#### APRIL 5

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on proposed legislation authorizing funds for the National Highway Traffic Safety Administration.
SR-253

10:00 a.m.
Joint Taxation
To hold an organizational business meeting.
H-208, Capitol

10:30 a.m.
Appropriations
Commerce, Justice, State, and Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990, focusing on the administration of foreign affairs and contributions to international organizations.
S-146, Capitol

2:00 p.m.
Energy and Natural Resources
Public Lands, National Parks and Forests Subcommittee
To hold hearings on S. 85, to authorize the acceptance of certain lands for addition to Harpers Ferry National Historical Park, West Virginia; S. 280, to designate a segment of the Niobrara River in Nebraska as a component of the National Wild and Scenic Rivers System; and S. 338, to authorize the Secretary of the Interior to provide for the development of a trails interpretation center in the city of Council Bluffs, Iowa.
SD-366

APRIL 6

9:00 a.m.
Rules and Administration
To hold hearings on proposed legislation authorizing funds for fiscal year 1990 for the Federal Election Commission, proposed legislation authorizing funds for the Civic Achievement Award Program in honor of the Office of the Speaker of the House of Representatives, and proposed legislation authorizing funds for the American Folklife Center.
SR-301

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings in conjunction with the National Ocean Policy Study on global climate change and ocean perspective.
SR-253

10:00 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture, focusing on the Animal and Plant Health Inspection Service, Food Safety and Inspection Service, and Agricultural Marketing Service.
SD-124

Appropriations
Commerce, Justice, State, and Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990, focusing on the Federal Communications Commission and the Small Business Administration.
S-146, Capitol

Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Federal Highway Administration and the National Transportation Safety Board.
SD-138

2:00 p.m.
Select on Indian Affairs
To hold oversight hearings on implementation of water rights policy.
SH-216

APRIL 7

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Education, focusing on Student Financial Assistance, Guaranteed Student Loans, Higher Education, Higher Education Facilities Loans and Insurance, College Housing Loans, Education Research and Statistics, and Libraries.
SD-138

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on S. 629, to make structural and management changes in the National Earthquake Hazards Reduction Program.
SR-253

Finance
International Trade Subcommittee
To hold hearings to examine trade disputes between the United States and Canada.
SD-215

10:00 a.m.
Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Office of National Drug Control Policy.
SD-116

APRIL 10

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Bureau of Land Management, Department of the Interior, and the Navajo and Hopi Indian Relocation Commission.
S-128, Capitol

10:30 a.m.
Governmental Affairs
To hold hearings on quality assurance at the Department of Defense.
SD-342

1:15 p.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the Office of Civil Rights, Policy Research, and the Office of Inspector General.
SD-116

1:30 p.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Environmental Protection Agency.
SD-138

Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Forest Service of the Department of Agriculture.
SD-192

APRIL 11

8:30 a.m.
Office of Technology Assessment
The Board, to meet to discuss pending business.
EF-100, Capitol

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings to review the President's proposed budget request for fiscal years 1990 and 1991 for the National Aeronautics and Space Administration, focusing on space science and applications programs.
SR-253

10:00 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture, focusing on the Farmers Home Administration, Federal Crop Insurance Corporation, and the Rural Electrification Administration.
SD-138

Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Environmental Protection Agency and the Council on Environmental Quality.
SD-116

APRIL 12

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the Social Security Administration and the Health Care Financing Administration.
SD-138

10:00 a.m.
Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Office of the Secretary of the Treasury, and the Federal Election Commission.
SD-116

APRIL 13

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture.
SD-124

Governmental Affairs
To hold hearings on S. 253, establishing a coordinated National Nutrition Monitoring and Related Research Program.
SD-342

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the U.S. Coast Guard.
SD-138

2:00 p.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture.
SD-124

2:30 p.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the Family Support Administration and Human Development Services.
SD-138

APRIL 14

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the Office of the Assistant Secretary for Health and the Centers for Disease Control.
SD-138

Commerce, Science, and Transportation
Foreign Commerce and Tourism Subcommittee
To hold hearings on the importance of scenic byways to national tourism.
SR-253

10:00 a.m.
Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Office of Management and Budget (Office of Federal Procurement Policy), Commission on Government Ethics, and the National Archives and Records Administration.
SD-116

APRIL 17

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on space transportation budget and policy.
SR-253

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for fossil energy and clean coal technology programs.
S-128, Capitol

1:30 p.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Veterans Affairs.
SD-138

APRIL 18

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the Alcohol, Drug Abuse, and Mental Health Administration and the Health Resources and Services Administration.
SD-116

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on motor carrier safety.
SR-253

10:00 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture, focusing on Agricultural Stabilization and Conservation Service, Foreign Agricultural Service, Commodity Credit Corporation, General Sales Manager, and Soil Conservation Service.
SD-138

Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Veterans Affairs.
SD-192

Environment and Public Works
Environmental Protection Subcommittee
To hold hearings on the health effects of air pollution.
SH-216

APRIL 19

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To continue hearings on motor carrier safety.
SR-253

Governmental Affairs
To hold hearings on trade and technology issues.
SD-342

10:00 a.m.
Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Office of Personnel Management.
SD-116

Finance
To resume oversight hearings on the implementation of the Omnibus Trade and Competitiveness Act of 1988.
SD-215

1:30 p.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for territorial and international affairs.
SD-192

2:00 p.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To hold hearings on S. 83, to establish the amount of costs of the Department of Energy's uranium enrichment program that have not previously been recovered from enrichment customers in the charges of the Department of Energy to its customers.
SD-366

APRIL 20

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture.
SD-124

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Federal Management Agency.
SD-192

2:00 p.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture.
SD-124

Energy and Natural Resources
Energy Research and Development Subcommittee
To continue hearings on S. 83, to establish the amount of costs of the Department of Energy's uranium enrichment program that have not previously been recovered from enrichment customers in the charges of the Department of Energy to its customers.
SD-366

MAY 1

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the National Institutes of Health.
SD-192

2:30 p.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the National Institutes of Health.
SD-192

MAY 2

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the National Aeronautics and Space Administration.
SD-138

2:00 p.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for activities of the Secretary of the Interior and the Secretary of Energy.
S-128, Capitol

Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To hold hearings on S. 247, to increase the efficiency and effectiveness of State energy and conservation programs.
SD-366

MAY 3

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the National Aeronautics and Space Administration.
SD-138

MAY 4

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-116

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Federal Aviation Administration.
SD-138

MAY 5

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

MAY 8

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

MAY 11

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-116

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for transportation trust funds.
SD-138

MAY 12

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

MAY 15

1:30 p.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development.
SD-138

MAY 16

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development.
SD-138

MAY 18

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development and certain independent agencies.
SD-116

MAY 19

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development and certain independent agencies.
SD-116