

watched it flourish ever since. Last year, Holland partially privatized its postal service and Germany is doing the same starting this month. Also, there has been considerable discussion in Great Britain about the possibility of privatizing parts of the Royal Mail and Parcelforce, a move favored by a number of its top managers.

In this country, the objection to privatization has been that it would result—allegedly—in cream-skimming by USPS competitors which would leave the USPS with the financially troublesome prospect of being left with only rural and bulk mail to deliver. However, the logic behind such an assumption not only does a disservice to the capabilities of USPS employees but it overlooks the significance of the telecommunications revolution now underway. What with the growing popularity of FAX machines, modems, internet, E-mail and the like, the truth of the matter is that the USPS is more likely to be left with rural and bulk mail to deliver if it doesn't go private than if it does. Only by keeping up with the times and the competition, which can best be done by operating in the same way as the competition, can be USPS hope to thrive in the future.

Understandably, many USPS employees, fearing for their jobs, have certain reservations about going that route. Since change often breeds uncertainty and uncertainty is unsettling, such a reaction is only natural. However, change also brings opportunity and that would certainly be true if the USPS were to be converted into a private corporation. And it would be especially true if that corporation were to be an employee-owned one. Not only would the new entity be able to explore new markets and develop new ways of doing business, both of which could benefit postal workers, but making it employee-owned would give workers more control over their futures as well as a share of the profits.

For all these reasons, I have decided to introduce once again legislation that would convert the U.S. Postal Service into a totally private, employee-owned corporation. As was the case with my previous bills to this effect, this measure calls for this transition to be implemented over a 5 year period, after which the USPS's current monopoly over the delivery of first class mail would end. However, there is one difference between this bill and my previous legislation. To make the prospects for the success of this new private sector corporation even more likely and attractive, the measure I am introducing today calls for the cost-free transfer of the assets held by the USPS to that corporation. Now only will that make the transition to private status easier to arrange, but it will speed the day when American taxpayers will no longer have to subsidize an operation that has been losing money as well as the mail.

Given the clear need for more than just minor adjustments to our postal delivery system, I hope my colleagues will carefully consider this legislation and then give it their support by signing on as co-sponsors. If America is to be truly competitive in the forthcoming era of computers and telecommunications, we simply cannot afford a correspondence delivery system that is neither prompt nor reliable. Instead, we need a system that is state of the art and the best way to get it is make use of, by making the USPS a part of, the private sector.

## ENDING THE FOREIGN AID PIPELINE MESS

**HON. TOBY ROTH**

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, January 4, 1995*

Mr. ROTH. Mr. Speaker, today I have introduced legislation to bring to an end a multibillion-dollar problem with our foreign aid programs: the so-called foreign aid pipeline. The pipeline consists of funds appropriated in prior years, up to a decade ago, but which are not expended and just sit in accounts waiting for some bureaucrat to dream up a way to spend it.

Responding to my request for an investigation in 1991, the General Accounting Office reported that nearly \$9 billion has been sitting in the pipeline, for up to 10 years. GAO recommended that such unneeded funds be canceled after 2 years, with a couple of specific exceptions.

In 1991, the House adopted my amendment to cut off this pipeline, but the underlying bill was not enacted. Again in 1993, a version of my amendment was incorporated into the Foreign Affairs Committee's foreign aid reform bill, but that bill also was not enacted.

Today, I am renewing my initiative to cut off this multibillion waste of taxpayers' funds. GAO estimated that about half of the funds in the pipeline could be recovered by enacting my proposal, as much as \$4.5 billion. My bill was drafted after consulting with experts at the GAO.

At a time when Congress is debating reductions in programs for Americans, foreign aid should be cut first. The place to start cutting is in the foreign aid pipeline, because it has already been determined to be a source of waste.

As the new Congress proceeds to considering legislation to make spending savings, I intend to seek action on this bill and end this misuse of taxpayers' money.

## USE OF UNDERUTILIZED BUILDINGS IN ECONOMICALLY DEPRESSED AREAS

**HON. JAMES A. TRAFICANT, JR.**

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, January 4, 1995*

Mr. TRAFICANT. Mr. Speaker, I rise today to reintroduce legislation that I sponsored in the 103d Congress that would require the National Aeronautics and Space Administration to take advantage of abandoned and underutilized buildings and grounds in economically depressed areas of the country when selecting new site facilities. I invite all Members to co-sponsor this legislation.

I believe that in this age of reinvestment in our large cities, programs such as Enterprise Zone and HUD grants offer economically depressed communities the opportunity to pick themselves up and forge ahead with their recovery. I also believe, however, that Federal agencies, such as NASA, should look at those same communities when looking to expand their facilities. Much like a major sports team, NASA expansion into an economically depressed area would boost the area's financial

status, self-esteem, and morale. Often these last two simply cannot be fixed with a simple Government-sponsored grant.

My legislation would also allow older buildings and underused facilities in decaying cities the chance to be fully utilized, thereby furthering the economic and cosmetic recovery of those cities. And because those facilities would already be in place, NASA would not have to spend a fortune on constructing all new buildings and support infrastructure.

Mr. Speaker, NASA's operations should not just be something we see pictures of on television. I urge my colleagues to cosponsor this legislation so that all Americans can take advantage of this country's space program.

## THE 103D CONGRESS

**HON. LEE H. HAMILTON**

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, January 4, 1995*

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, October 19, 1994, into the CONGRESSIONAL RECORD.

## THE 103D CONGRESS

The 103rd Congress promised to govern. In the end, despite significant achievements, it was unable to deliver on much of the legislative program. But it should not be judged solely on the numerous measures which were defeated in the closing weeks. Among them were the bills dealing with health care, campaign finance, lobbying disclosure, telecommunications, and toxic waste clean-up. There is no doubt it was a bad ending to the Congress.

But the 103rd Congress really did quite a lot. It was reasonably productive even through extraordinarily contentious. In the end I think it was a respectable Congress, not spectacular but at least average.

## MEASURES PASSED

Important legislation passed by the 103rd Congress included deficit reduction, the North American Free Trade Agreement, family and medical leave, "motor voter" registration, national service corps, Hatch Act revisions, the crime bill, interstate branch banking, Goals 2000 education reform, and deep cuts in the federal workforce. GATT may be added to this list during a special post-election session. It is easy to imagine another 8 to 12 pieces of major legislation that could have been passed near the end but were not. In judging the Congress it is important to think in terms of not only what it did but also what groundwork it laid. My guess is that basic agreements were reached in several areas in preparation for passage next year. That includes a telecommunications bill and superfund reform.

The central achievement of the 103rd Congress was passage last year of one of the largest deficit reduction packages in history—reducing the projected deficits over five years by some \$430 billion. The deficit will fall three years in a row—the first time that has happened since the Truman Administration. This has helped boost the economy—raising the overall growth rate, boosting productivity, and reducing the unemployment rate. Some 4.6 million new jobs have been created since January 1993, compared to 2.4 million over the previous four years. Passage of the North American Free Trade Agreement abolishing trade barriers between the United States, Mexico, and Canada has led to a sharp increase in U.S. exports to our NAFTA partners.

Among the other achievements of the 103rd Congress were several education initiatives, including renewal of elementary and secondary education aid and expansion of Head Start, the Goals 2000 reform to set achievement standards, a school-to-work transition program, and an overhaul of the college student loan program. Two separate banking laws passed, one the remove restrictions on bank branches across state lines and another to put money for economic development into distressed areas via community development banks. The new crime package means more police on the street, more prisons, and tougher punishment for federal crimes.

The reinventing government effort had some distinct successes; procurement reform to streamline government buying of goods and services and to allow more products to be purchased off the shelf, and buyouts to cut the federal payroll by almost 280,000 jobs over six years. Government reorganization advanced with the creation of a separate Social Security Administration and reorganization of the Agriculture Department. Congress renewed the independent counsel to investigate allegations against high ranking government officials. The most significant piece of environmental legislation passed was the California Desert Protection Act creating the largest wilderness area outside Alaska.

#### DISAPPOINTMENTS

A Congress, of course, is always measured against expectations. Looking just at what the 103rd Congress achieved, quite a lot was done. But looking at it against expectations and opportunities, it does not measure up very well. One standard by which Congress clearly failed was in gaining public confidence.

As I wrote earlier, this Congress was a reform Congress and we learned once again that those who seek reform and change run into many obstacles and risk failure.

I was disappointed that congressional reform, which included modest proposals for change made by the bi-partisan committee I co-chaired, died in both houses. These reform proposals will certainly be on the agenda for the 104th Congress.

The most significant failure of the Congress was on health care reform. It died when consensus failed to develop among supporters of various plans. Welfare reform did not get out of committee. A campaign finance reform plan with voluntary spending limits and curbs on special interest money was killed by filibuster, as was a bill to ban lawmakers from accepting any gifts from lobbyists.

I was disappointed that welfare reform was not enacted, but encouraged that in 1995 it will be high on the agenda of the 104th Congress. I was also disappointed that we could not strengthen the Clean Water Act and the Safe Drinking Water Act.

It is especially difficult to move on reform when public confidence in government is waning and suspicion of its every act is rising. The public sees Congress as a do-nothing assembly of quarrelsome partisans more attuned to the special interests than to the voters. The large number of filibusters in the Senate certainly slowed the agenda.

Many members of Congress believe the news media contributed to the very tough environment within which we do our work. The media tend to be more destructive than constructive, criticizing even those who are striving to make things better. One of my colleagues said that nothing about government is done as incompetently as the reporting of it. That may be an overstatement, but it is frustrating to see the failures of Congress celebrated while the very real successes are ignored.

#### CONCLUSION

Overall the 103rd Congress came out of the starting gate fast but it collapsed at the finish line. Some of the critics say that this was perhaps the worst Congress in 50 years. I simply do not agree. Those critics were too focused on the final days of the Congress and have not looked at the overall record. Certainly the final record could and should, have been better, but the 103rd Congress did manage to put together a list of significant accomplishments.

### INTRODUCTION OF CAPITAL GAINS TAX PROPOSAL

**HON. RICHARD E. NEAL**

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, January 4, 1995*

Mr. NEAL of Massachusetts. Mr. Speaker, today I am introducing legislation, the Middle Class Income Tax Relief Act of 1995, which provides a capital gains tax cut for working class Americans. This legislation provides a lifetime capital gains bank of \$200,000. Any taxpayer throughout the person's lifetime would have a capital gains bank of \$200,000. Under this legislation, a taxpayer could exclude up to 50 percent of the gain on the sale of a capital asset, up to the limit in the maximum tax rate of 19.8 percent.

The benefit of lifetime capital gains tax bank would phase out as a taxpayer's income increases above \$200,000. Under this legislation individuals who sold stocks saved for retirement or a second home, or elderly individuals, who have a large gain in the sale of their principal residence, would benefit. The proposal includes a 3-year holding period for the capital asset. Short-term stock speculators would not be able to qualify for the benefit.

In addition, the bill allows taxpayers to index the cost of real estate for inflation. An inflation-induced gain is not a capital gain and should not be subject to tax.

Lately, there has been much said about the necessity and benefits of a capital gain tax cut. A capital gains tax cut is a valid measure, but a capital gains tax needs to be economically feasible and to benefit the middle-class. A capital gains tax cut needs to be responsible. I believe the Middle Income Tax Relief Act of 1995 is an appropriate capital gains tax cut.

Mr. Speaker, I insert a summary for the RECORD.

#### SUMMARY OF MIDDLE INCOME TAX RELIEF ACT OF 1995

Individuals would have a lifetime capital gains "bank".

Bank limit would be \$200,000 per person.

All individuals would be entitled to the \$200,000 bank: for example each spouse of a married couple would each have a separate limit.

Any individual who sold a qualified asset could exclude up to 50% of the gain on the sale, up to the \$200,000 limit.

Qualified assets would include all capital assets under the present law, except collectibles.

Under the bill, the maximum tax rate on capital gains income would be 19.8% (i.e. 1/2 of the maximum 39.6% rate).

The full benefit would be available in any year that a taxpayer had adjusted gross income in excess of \$200,000.

In the case of a sale or exchange of real property, taxpayers would be able to index

their basis in the asset to the rate of inflation. Thus, no tax on inflation-induced gains.

Example: taxpayer buys a house for \$100,000 and sells it 9 years later for \$200,000. Inflation was 5% per year over the 9-year period. Basis for measuring gain is \$145,000 so gain is \$55,000.

A 3-year holding period would apply so that the deduction would not be available to any taxpayer who held the asset for less than 3 years.

### INTRODUCTION OF THE ANAKTUVUK PASS LAND EXCHANGE AND WILDERNESS REDESIGNATION ACT OF 1994

**HON. DON YOUNG**

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, January 4, 1995*

Mr. YOUNG of Alaska. Mr. Speaker, I am pleased today to introduce the Anaktuvuk Pass Land Exchange and Wilderness Redesignation Act of 1994. When enacted, this legislation will ratify an agreement to settle a long-standing and difficult dispute between the National Park Service and Alaska Native landowners over the use of all-terrain vehicles—or ATV's for access for subsistence purposes in Gates of the Arctic National Park and Preserve.

The residents of Anaktuvuk Pass and the National Park Service have had a long-standing dispute over the use by village residents, of certain ATV's for subsistence purposes on national park and wilderness lands adjacent to the village. In an effort to resolve this conflict, Arctic Slope Regional Corp.—the regional corporation established by the Inupiat Eskimo people of Alaska's North Slope under the provisions of the Alaska Native Claims Settlement Act [ANCSA], Nunamut Corp.—the Anaktuvuk Pass ANCSA Village Corp.—the city of Anaktuvuk Pass and the National Park Service have entered into an innovative agreement both guaranteeing dispersed ATV access on specific tracts of park land and limiting development of Native land in the area. The agreement will limit the types of ATV's allowed and will also lead to enhanced recreational opportunities by improving public access across Native lands.

The village of Anaktuvuk Pass is located on the North Slope of Alaska in the remote Brooks Mountain Range, completely within the boundary of and surrounded by the Gates of the Arctic National Park and Preserve. Village residents have long relied upon the use of ATV's for summer access to subsistence resources, primarily caribou, on certain of these nearby park, and park wilderness lands. As there are no rivers near the community for motorboat access to park lands, ATV's provide the primary means by which to reach and transport game in the summer. The only alternative to ATV use is to walk which is not feasible in these remote areas. Snowmobiles are the primary mode of transportation for subsistence activities in the winter.

With the passage of the Alaska National Interest Lands Conservation Act [ANILCA] in 1980, Congress expressly reserved the rights of rural Alaska residents to continued, reasonable access to subsistence resources on public lands, by providing in section 811(a) of that act, "rural residents engaged in subsistence