

increases the cost of Federal Government service contracts and imposes burdensome paperwork requirements on contractors in order to prove compliance with the law. The SCA also presents a number of pragmatic problems which undermine the effective administration of the act.

The SCA covers all contracts with the Federal Government in excess of \$2,500 whose primary purpose is to provide services to the Government. Unless specified otherwise, any contract with the Government that is not for construction or supplies is considered a contract for services. Under the terms of the SCA, any service contract entered into by the United States or the District of Columbia must contain certain labor standards, including the payment of locally prevailing wages and fringe benefits. In fiscal year 1992, approximately \$19.4 billion in Federal spending was covered by the requirements of the act.

The General Accounting Office [GAO] has outlined a number of shortcomings of the act, including: The inherent problems which exist in its administration; the fact that wage rates and fringe benefits set under it are inflationary to the Government; accurate prevailing wage rate and fringe benefit determinations cannot be made using existing data; the data needed to make accurate determinations would be very costly to develop; and, the Fair Labor Standards Act coupled with implementation of administrative procedures could provide protection for employees the act now covers. The GAO concluded that for "[the Department] of labor to administer the SCA in a manner that would ensure accurate and equitable service wage determinations would be impractical and very costly, and that the most logical alternative is to repeal the act."

Furthermore, a number of administrative difficulties have arisen from the broadened scope of the act's application to service employees working under Federal Government contracts. Many categories of workers under the SCA are, for the most part, skilled and highly trained employees whose services are in demand in a highly competitive labor market. They are well-compensated, possess a high degree of job mobility, and thus are not susceptible to wage busting.

Mr. Speaker, as Vice-President Gore stated in his Reinventing Government report, "[the Service Contract Act] was passed because of valid and well-founded concerns about the welfare of working Americans. But as part of our effort to make the Government's procurement process work more efficiently, we must consider whether these laws are still necessary—and whether the burdens they impose on the procurement system are reasonable ones." I have carefully reviewed the requirements and the application of the SCA and I have come to the conclusion that this statute is not necessary and that the burdens it imposes on contractors and the American taxpayer are not reasonable ones. The market is very capable of setting wage and fringe benefit rates and the labor protections in the SCA are available under existing statutes, such as the Fair Labor Standards Act.

Mr. Speaker, as we undertake the tremendous responsibilities of governing in the 104th Congress, and as we attempt to respond to the call of the American people to streamline government and make it work more effectively, repealing the Service Contract Act is a welcome first step, and a significant initiative to

make our Government more efficient, responsible, and frugal. I urge my colleagues to join with me in cosponsoring this bill and working for its swift enactment.

WHAT'S THE DIFFERENCE, SMITH MURDERS OR THOSE ABORTED?

HON. RANDY "DUKE" CUNNINGHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 4, 1995

Mr. CUNNINGHAM. Mr. Speaker, I wanted to call my colleagues' attention to a recent commentary from the News Reporter of San Marcos in the 51st District of California.

My constituent, D.J. Skinner Ross of San Marcos, raises some interesting questions about the recent tragic double murder of the Smith children in South Carolina. I urge my colleagues to read "A Question of Murder," as it offers a unique perspective on this sad case and on the larger issue of ethics in our society.

Mr. Speaker, I commend "A Question of Murder" to the House and ask that it be printed in the CONGRESSIONAL RECORD at this point.

[From the San Marcos News Reporter, Nov. 16, 1994]

WHAT'S THE DIFFERENCE, SMITH MURDERS, OR THOSE ABORTED?

(By Skinner Ross)

I'm a little confused regarding some peoples' stand on murder, specifically the murder of defenseless children.

The nation, perhaps the world, is horrified and incensed over the killings of the little Smith boys. To learn that the killer was their own mother was almost more than all of us could bear. Many were, and still are, threatening to murder her.

Here is where I am confused:

- (1) Where are the Women's Rights groups?
- (2) Where are the Freedom of Choice groups?
- (3) Where is the politically-powerful American Civil Liberties Union?

Mrs. Smith could use your support during this terrifying, lonely time in her life. Mrs. Smith could use some of the ACLU's legal backing.

After all, her side of the story is no different now than it would have been five years and seven or eight months ago . . . or even as recently as 19 or 20 months ago: These babies were interfering with the lifestyle she wished to follow.

They were a nuisance. They were fathered by a man she didn't love. (A little like rape, don't you agree?)

So I ask all the "rights" groups, Where are you now?

Before these little boys were given names and toys and birthday parties, you would have pounded your fists on your podiums and shouted obscenities at anyone who would dare to say she did not have the "right" to take their "right to live" away from them.

Where is your courage to defend her now? Nothing has really changed.

Those little boys' hearts were beating in their mother's womb every bit as strongly as they were in the cold "womb" of that car's back seat. Their cries for help would have been as soundless in her womb as they were in that sinking car.

The only difference between this murder and the murder of abortion is the sweet, defenseless babies killed in a mother's womb drown in amniotic fluid. These sweet, de-

fenseless little boys drowned in the fluid of a cold, murky lake.

So I ask, in cases such as these, exactly whose "rights" have been wronged?

WHY HEALTH CARE REFORM FAILED

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 12, 1994 into the CONGRESSIONAL RECORD.

WHY HEALTH CARE REFORM FAILED

After a long public debate Congress has decided that none of the many health care reform proposals would be considered for final passage this year. Instead, the President and Congress have agreed that health care reform should be addressed during the next Congress which starts in January.

A recent statewide poll showed that health care remains a top concern for many Hoosiers. I have been reviewing the reasons why health care reform efforts failed this year.

First, the health care system itself is complex and so are the proposed reforms. Our system is enormous, representing roughly one-seventh of our nation's economy (or over \$1 trillion in spending). The challenges facing our medical system—such as rising costs and a growing number of uninsured Americans—are not easy to solve and require multi-faceted solutions.

Second, the President's proposal, at over 1,300 pages, was too complex. The President tried to do too much—to create a perfect health care system that would be all things to all people. What resulted was a bewildering bill that fanned the public's fears and gave opponents plenty to attack: bureaucratic structures, regulations, taxes, and other hot-button issues.

Third, many of the proposed reforms have never been tried on a national scale, and people preferred the status quo over the unknown. No one is really sure how the various health care proposals would work. Hoosiers became more skeptical as they learned more about health care reform. They began to focus less on the problems facing the health care system and more on the problems with the solutions. Our system has many strengths, and they want to preserve what works well and build on it, rather than supporting reforms which would have unknown consequences.

Fourth, Americans simply do not have a lot of confidence in the capacity of government. Several of the proposed reforms would have increased government bureaucracy, increased government regulation over important issues such as what doctor or hospital people can choose, and increased the level of taxes. People want reform but do not want the government to be the agent of reform.

Fifth, the major interested parties in health care reform—consumers, doctors, hospitals, employers, insurance companies, and taxpayers—have widely different views concerning health care, and successful reform hinges on balancing these competing interests. One thing I heard consistently from Hoosiers was to take more time because a consensus had not yet been reached. They were right.

Sixth, opponents of reform were intense and effective. They spent millions of dollars attacking specific provisions of the reform proposals. Lobbyists for every conceivable

interest that could be affected by health care reform swarmed over Washington. The reporting by the media, which emphasized conflict rather than explanation, also elevated public skepticism about the reform proposals. The end result was that attacks by opponents were many, but responses by proponents were far fewer.

Seventh, Congress did not handle the health care reform debate well. The leaders of Congress supported much more wide-ranging health care changes than the average member of Congress. Congress would not agree on any single comprehensive reform proposal, and only one of the five House and Senate committees which have jurisdiction over health care issues successfully produced a bipartisan bill. Although most members decided early on that they could not support the President's bill, or other comprehensive reform measures, Congress was unable to agree on what incremental reforms to support.

Eighth, outside events slowed the momentum for reform. The economic downturn ended, and the middle class concern over health care subsided. In addition, medical inflation, although still twice the rate of overall inflation, was much lower than the 12% or 15% annual increases from a few years ago.

Finally, all of these factors delayed consideration of health care reform. Time became the enemy of reform. Further delays occurred when the Administration needed nine months to introduce a bill, and the President and Congress were forced several times to delay health care reform in order to consider other issues such as the budget deficit reduction package, NAFTA, or the 1995 budget. These delays constrained the time available for Congress to consider, develop and then pass a bill.

WHAT IS AHEAD

The health care debate of 1994 was useful, if not satisfactory, and at least began to educate the public on health care and to illuminate some of the choices before us. The process of developing a consensus in the country has begun.

I have no doubt that there soon will be another health care debate. The problems facing the medical system are going to get worse and the pressure to act will mount. Medical costs still are increasing at rates two or three times inflation and the number of uninsured Americans is increasing. As these trends continue, more and more people are going to find their benefits cut, their choice of doctor constrained, and their employers putting more of the cost of health care on to them.

I do not believe reform will happen all at once, or in a single bill, nor should it. No bill can solve all the health care system's problems, and probably no bill that tries to do so can pass. I have believed for some time that comprehensive reform is probably not viable and that reform should come incrementally.

One place to start in incremental reform may be to offer health care coverage for every child. An estimated eight million children lack health insurance and some four million more have substantially less than full coverage. Other incremental reforms Congress will consider include managed competition, insurance reforms, malpractice reform, subsidies to lower income working families, and opening the federal employee health benefits plan (which covers government employees and members of Congress) to small businesses and individuals.

THE LANGUAGE OF GOVERNMENT

HON. BILL EMERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 4, 1995

Mr. EMERSON. Mr. Speaker, today I am pleased to introduce once again the "Language of Government Act." America is a nation of immigrants. As President Franklin Delano Roosevelt once said, "All of our people all over this country—except the pure-blooded Indians—are immigrants or descendants of immigrants, including those who came over here on the Mayflower."

Indeed, we are a diverse lot. We are a country of many peoples, each with an individual cultural heritage and tradition. It is not often that people of so many varying cultures and backgrounds can live together in harmony, for human nature often leads us to resist and fear those who are different from us. Yet despite our differences, we do have a common bond. We have a common tongue, the English language, that connects us to one another and creates our national identity. It is this unity in diversity that defines us as uniquely American.

The time is right for passage of this important, unifying legislation. H.R. 123 offers a balanced, sensible approach to the common language issue. This legislation states that the government has an affirmative obligation to promote the English language, elevating that goal to official capacity. At the same time, the bill seeks to set some common sense parameters on the number and type of government services that will be offered in a language other than English. We do not need nor should we want a full scale multilingual government. But, if we do not address this issue in a forward-thinking, proactive manner, that is just what we would allow to develop.

I want to stress that the "Language of Government Act" is not "English only." It simply states that English is the language in which all official United States Government business will be conducted. We have an obligation to ensure that non-English speaking citizens get the chance to learn English so they can prosper—and fully partake of all the economic, social, and political opportunities that exist in this great country of ours.

The late Senator Hayakawa, founder of this movement, was a prolific writer and I offer you one of my favorite quotes of his:

America is an open society—more open than any other in the world. People of every race, of every color, of every culture are welcomed here to create a new life for themselves and their families. And what do these people who enter into the American mainstream have in common? English, our shared, common language.

As Americans, we should not remain strangers to each other, but must use our common language to develop a fundamental and open means of communication and to break down artificial language barriers. By preserving the bond of a unifying language in government, this nation of immigrants can become a stronger and more unified country.

THE DERIVATIVES SAFETY AND SOUNDNESS SUPERVISION ACT OF 1995

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 4, 1995

Mr. GONZALEZ. Mr. Speaker, today I introduce the Derivatives Safety and Soundness Supervision Act of 1995. This legislation promotes regulatory oversight and coordination, and calls for greater disclosure of the derivatives activities of all types of financial institutions. In recognition of the global nature of the derivatives market, the legislation also requires the United States to take a lead role in promoting international cooperation on derivatives regulation.

The legislation is nearly identical to H.R. 4503, which I introduced with Congressman, now Chairman LEACH last year. At that time—May, 1994—I said "In order to protect taxpayers * * *, the Congress must ensure that the regulators fully understand the individual and systemic risks posed by derivatives and ensure that they are aggressively supervising and regulating financial institution derivatives activities." That legislation did not go anywhere, due in part to the Treasury Department and bank regulatory agencies claims that legislation was not necessary, and in part to the exigencies of a congressional election year schedule.

Events of the past 8 months indicate that legislation is needed now more than ever. Bankrupt Orange County, CA, has lost at least \$2 billion, much of which is attributable to its derivatives holdings. And Orange County isn't the only municipality in trouble—losses caused by risky investments in towns, cities, and counties throughout the country are coming to light. BT Securities, the securities affiliate of Bankers Trust, one of the world's largest derivatives dealers, was found by the Securities and Exchange Commission and the Commodity Futures Trading Commission to have violated the reporting and antifraud provisions of the Federal securities laws in connection with derivatives it sold to its customer, Gibson Greetings, Inc. The SEC and CFTC orders require BT Securities to pay a \$10 million civil penalty. Reports of financial losses at banks due to derivatives and other interest rate sensitive investments continue, and the bank regulators recently backed away from requiring true market value accounting which would reveal those losses. In light of these events, it would be irresponsible for the Congress to avoid legislation.

The legislation covers all financial entities—depository institutions, their affiliates and holding companies, Government-sponsored enterprises, Federal home loan banks, securities firms, and insurance companies. This broadened scope is necessary given the systemic risks that derivatives pose to our financial system generally and the need by customers and the marketplace for consistent and full disclosure. All regulators—bank regulators, SEC, CFTC, and Treasury must work together under the bill in adopting similar regulatory standards, reporting requirements, and disclosure. This regulatory coordination will provide increased customer protection as well as promote a stronger and safer derivatives marketplace. Of course, since banks are the biggest