

HONORING RUSSELL L. CARSON

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. KILDEE. Mr. Speaker, it is my pleasure to rise before my colleagues in the U.S. House of Representatives to recognize Mr. Russell L. Carson. Mr. Carson recently retired as captain of the Waterford Township Police Department after 25 years of dedicated public service. A retirement party in his honor is to be held on February 3, 1996, in Keego Harbor, MI.

Mr. Carson has spent his entire career protecting the public and preserving the laws of this Nation. During his illustrious career, he has received many awards and commendations for his selfless devotion to duty. His tireless spirit has earned him the respect of his colleagues not only in the police department that he helped to command, but also with the countless people whose lives were touched by him. During his 25-year career, Mr. Carson has worked as a patrolman, detective, school liaison officer, lieutenant, staff lieutenant, and captain. Also included in his many duties were detective bureau commander, patrol bureau commander, and administrative services commander.

Mr. Speaker, Russell Carson has worked diligently to help make his community a safer and better place to live. I know that his retirement dinner is not meant to celebrate his departure from law enforcement, rather, the dinner is meant to show him the deep love and respect his colleagues, his family, his friends, and his community have for him. I ask you and my fellow Members of the 104th Congress to join me in paying tribute to such a dedicated public servant, Mr. Russell L. Carson.

HONORING CONGRESSWOMAN
BARBARA JORDAN

HON. MARTIN FROST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. FROST. Mr. Speaker, in honor of this year's theme of African-American women, I wish to recognize the passing of former Congresswoman Barbara Jordan, one of Texas' greatest political figures. She died at the age of 59 from pneumonia, one of the many illnesses which she suffered from in the last years of her life. But the life that she led was extraordinary, and she left a mark that few will ever match, and that none will ever forget.

Mr. Speaker, Congresswoman Jordan distinguished herself from an early age. With her family's encouragement she worked hard to rise above the poverty of her childhood in Houston. She graduated magna cum laude from Texas Southern University. It was there that she first displayed her powerful oratorical skills as a member of the debate team. In 1959 she received her law degree from Boston University.

Mr. Speaker, Barbara Jordan made history by setting a number of firsts. She was the first black State senator in Texas history, elected in 1966. In 1972 she was accorded the high

honor of being elected president pro tempore of the Texas Senate, another first for an African-American. Eight years later she recorded another first, becoming the first black from Texas to be elected to Congress. Although she only served for 6 years in the House of Representatives, her impact was monumental.

It was as a freshman Congresswoman, Mr. Speaker, that the Nation first came to know Barbara Jordan. As a member of the House Judiciary Committee she made one of the defining speeches of the Richard Nixon impeachment hearings. Rising above the political rhetoric, she told the world, "My faith in the Constitution is whole, it is complete, it is total, and I am not going to sit here and be an idle spectator to the diminution, the subversion, the destruction of the Constitution." Indeed, her statements reminded America of what was truly great about this country.

On a more personal note, Mr. Speaker, Barbara Jordan served as one of my earliest political role models. I had a chance to see Congresswoman Jordan speak at the 1976 Democratic National Convention. Like everyone else that heard her speech I was moved not only by her eloquence, but by her definition of public service. "More is required of public officials than slogans and handshakes and press releases," she said. "We must hold ourselves strictly accountable. We must provide the people with a vision of the future." These words continue to guide and inspire me 20 years later.

I wish in the coming days that all Texans would join me in reflecting upon the legacy of Barbara Jordan. She stood for honesty, integrity, and an unswerving commitment to the principles on which this country was founded. Her legacy will endure as we continue to honor these ideals.

SMALL BUSINESS INVESTMENT
AND GROWTH ACT

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. CRANE. Mr. Speaker, today I am introducing legislation, the Small Business Investment and Growth Act, to provide needed tax relief for some of America's small business manufacturers.

As a member of the Ways and Means Committee, I strenuously objected to the tax increases of 1990 and 1993, knowing of the negative economic impact these would have on American businesses and individuals. In particular, increasing the maximum individual marginal tax rate from 28 percent to 39.6 percent put a tremendous strain on small businesses organized as S corporations, because they must pay taxes at the individual rate. S corporation manufacturers, facing 36-percent and 39.6-percent tax rates at the highest levels, compete at a significant disadvantage against C corporation manufacturers, which pay a maximum 34-percent rate.

I propose to end this Government-created inequity with the Small Business Investment and Growth Act. Small businesses have created the overwhelming majority of jobs in the United States. We cannot allow the intrusiveness of the Federal Government to neutralize this proven formula of prosperity and job growth.

This act will establish at 34 percent the maximum tax rate for manufacturers organized as S corporations. The taxable small business income would be limited to income from the trade or business of certain eligible small businesses, specifically excluding passive income. To benefit from the maximum 34-percent rate, businesses must also reinvest their after-tax income into the business.

To encourage business reinvestment, each eligible S corporation would establish a new qualified retained earnings account [QREA]. Each year, the QREA will be increased by the taxable earnings of the business. The QREA may then be decreased by either "qualified" or "nonqualified" distributions. Qualified distributions are to enable shareholders to pay the income taxes due on their pro rata share of the taxable income. Should a business choose to make nonqualified distributions from its QREA, it will incur an additional tax, designed to negate the benefit of the maximum rate of 34 percent.

Again, the intent of this legislation is to reward eligible S corporations which reinvest income into the business, thereby creating more jobs. Indeed, successful small manufacturers have been able to create three to four new jobs for every additional \$100,000 they retain in the business.

I recognize that this legislation is a rather modest and narrowly crafted bill, and I realize that there may be other ways to accomplish the end goal of this proposal, which is to equalize the tax treatment of all manufacturers whether they organize as S corporations or C corporations. In that regard, I would welcome a debate on the best means to achieve this end. Personally, I would prefer to lower even further corporate and business taxes, but we are currently constrained by our budget rules. Furthermore, I look forward to an opportunity to completely abolish the present tax code in order to replace it with a more simple tax code that eliminates the inequities inherent in the current code.

The Small Business Investment and Growth Act will, in the near term, provide much needed tax relief to spur economic and job growth, and I would strongly encourage my colleagues to cosponsor it.

TRIBUTE TO CHIEF CLARENCE
HARMON ON HIS RETIREMENT

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. GEPHARDT. Mr. Speaker, I rise today to congratulate one of the great citizens of my hometown, St. Louis, on his retirement from a unique and valuable career of public service.

Col. Clarence Harmon, who will celebrate his retirement later this week, had a truly distinguished career with the Metropolitan St. Louis Police Department. After working his way up through the ranks, he became the first African-American police chief in the city's history.

Perhaps Chief Harmon's greatest contribution to the police department, and to the safety of our citizens, was his early and fervent commitment to community oriented policing. The success of this program can be seen as the crime rate in St. Louis declines—with the murder rate dropping by 18 percent last year. By

encouraging the police to work hand in hand with the community to address problems before they become crises he has been instrumental in increasing community confidence and police effectiveness.

I join my fellow St. Louisans in congratulating Chief Harmon on a job well done and wish him the best in his future endeavors.

RECOGNIZING FIRST PRESBYTERIAN CHURCH OF LIVERMORE, CA

HON. BILL BAKER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. BAKER of California. Mr. Speaker, in 1871, a group of nine farmers drew together to form a new church in the Livermore Valley in northern California. Started at a time when bars were more prevalent in Livermore than churches, what became the First Presbyterian Church of Livermore has witnessed the remarkable events that have shaped our country—the sorrow of war and the prosperity of peace, the anxiety of drought and the blessing of abundant harvest. And throughout its 125 year history, First Presbyterian has celebrated the importance of family and the centrality of enduring values.

Over its 125 year history, the First Presbyterian Church has grown to a ministry serving not only its 800 members but the greater Livermore Community. Very deliberately, the Church has chosen to stay in its downtown location rather than move to a more comfortable suburban area precisely because of its desire to serve those who most need its assistance. First Presbyterian has been a leader in supporting such vital efforts as the Family Crisis Center and the Emergency Fund Center, which help persons needing food, shelter, and other critical assistance.

In addition, the Church has worked actively with the Tri-Valley Haven for Women, which ministers to women and children suffering from abusive situations. First Presbyterian has also played a lead role in the Interfaith Backpack project, through which the greater religious community works together at the beginning of each school year to provide backpacks for young people whose families can't afford them.

First Presbyterian celebrates its 125th anniversary with the grateful knowledge that it has improved the lives of countless men, women, and children in central California. In coming years, this legacy will serve to inspire new acts of charity and generosity that, in themselves, will encourage others to serve as they have been served. It is an honor for me to recognize First Presbyterian Church of Livermore in the CONGRESSIONAL RECORD, and to express my personal thanks to Pastor William E. Nebo and all the members of the Church for what they are doing to build the Livermore community. My best to each of them on this unique and special occasion.

CAMPAIGN FINANCE REFORM

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, January 3, 1996, into the CONGRESSIONAL RECORD.

COMMON-SENSE CAMPAIGN REFORMS

The past year was productive for congressional reform. Congress acted to apply private sector laws to Congress, ban gifts, and restrict lobbying. These common-sense reforms are important, and Congress should build on this momentum and pass sweeping campaign finance reform this year.

In the past few decades, Congress has made substantial progress in opening up the political process and making Members more accountable. Members of Congress are now required to make comprehensive financial disclosure, and public and private transactions are subject to careful scrutiny. This exposure is directly responsible for the numerous successful ethics investigations in recent years. Prior to these changes—thirty, fifty, or a hundred years ago—such ethics violations were rarely prosecuted because the public knew nothing about them. We need to build continually on this progress, including the important steps taken last year.

CONGRESSIONAL ACCOUNTABILITY ACT

Last January Congress passed a law to apply private sector laws to Congress. This legislation was based on a recommendation of the Joint Committee on the Organization of Congress, which I co-chaired, and is an expansion of a measure passed by the House in 1994. This new law establishes an Office of Compliance to apply these laws to Congress, including labor regulations of the Occupational Safety and Health Administration (OSHA).

LOBBYING REFORM

With my strong support, Congress passed a lobbying reform law that requires paid lobbyists to disclose who pays them, whom they lobby, what issues they lobby for, and how much they are paid to influence the government. A similar bill was filibustered by the Senate in 1994. I am pleased that leaders of both parties removed their opposition to these reforms.

GIFT BAN

The House passed a bill to ban all gifts to Members, with limited exceptions for close family or friends. There is simply no reason to take valuable gifts, meals, or vacations from lobbyists.

THE 1996 REFORM AGENDA

We must push hard for additional reforms in 1996. The forces against reform are strong—last year lobbying reform and the gift ban were blocked five times before public pressure forced the House leadership to have a vote. Congress must build on these successes to complete additional reforms.

CAMPAIGN FINANCE REFORM

The overriding reform issue for 1996 is campaign finance reform. Some observers liken congressional reform to a three-legged stool. Banning gifts and restricting lobbying are the first two legs, but without the third leg—campaign finance reform—the stool will fall over. Hoosiers are fed up with the flood of campaign money and favors from lobbyists.

I have expressed the concern for many years that money plays a disproportionate role in American politics. The system forces candidates to spend too much time raising

money instead of meeting with the public and focusing on issues of national importance. My sense is that the public will demand major change in the present system. Reforming campaign finance is critical if Congress is to be a truly representative body.

There are a number of key issues in campaign finance reform:

Political action committees (PAC's)

The importance of PACs should be reduced. We should cap total PAC contributions to a candidate and reduce the limit on contributions from a single PAC. Members of Congress should also be prohibited from running "leadership PACs", which a few Members use to gain power and influence over other Members for their own personal agenda. We should also block "bundling" of checks by PACs, which evades the \$5,000 limit on PAC contributions.

"Soft money"

We should limit contributions by corporations, wealthy individuals, and other organizations to political parties and PACs affiliated with Members of Congress. These donors now give hundreds of thousands of dollars for "independent" expenditures. While direct expenditures for candidates are prohibited—advertising, campaign salaries, etc.—the indirect efforts, such as organization and issue or party advertising, can be as influential. Because these actions are theoretically not for federal candidates, they skirt federal campaign limits and can avoid public disclosure.

Small contributors

Reforms should emphasize the importance of grassroots political fundraising over big-ticket donors. The number of large contributions should be capped, and candidates should be encouraged to seek a broad base of support from contributions of less than \$200—perhaps with a tax deduction for individuals who make small contributions. A balance should also be struck between small in-state contributions and larger national contributions.

Spending limits

Congress passed some mandatory spending limits in 1974, but the Supreme Court overturned them as an unconstitutional restriction on free speech. We should examine ways to encourage voluntary limits, such as providing reduced-cost television and radio time to candidates who abide by the limits. Presidential campaigns now provide public matching funds for candidates who agree to abide by voluntary spending limits.

Enforcement

Congress must also give more authority to the Federal Election Commission to crack down on election law violations. In one recent case, the FEC needed 12 months to audit a House Member's campaign records that turned out to be fraudulent. Prompt, tough enforcement is the key to cleaning up the system.

CONCLUSION

Congress made significant progress on reforms in 1995, but it must build on that momentum in 1996. Major campaign finance reform will be the overriding reform issue this year in Congress. The purpose of reform is to reduce special interest influence and increase political competition. The campaign finance system may never be perfect, but the influence of money can and should be reduced. Until we begin limiting money's disproportionate influence, public cynicism will continue to grow.

The passage of a complete reform agenda will help demonstrate that members are serious about enhancing the openness, effectiveness, and public credibility of Congress. I