

the shareholder for the shareholder's taxable year which includes the last day of the taxable year of the corporation for which the reduction under this paragraph was made.

"(2) NET INCOME.—Net income shall be determined in the same way as taxable income under chapter 1 as in effect on the day before the date of the enactment of this section.

"(d) CERTAIN RULES TO APPLY.—Rules similar to the rules of subsections (d) and (e) of section 551 shall apply with respect to amounts required to be included in gross income under this section."

(b) CLERICAL AMENDMENT.—The table of chapters for subtitle A is amended adding at the end the following new item:

"Chapter 7. Value added tax burden adjustments."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1997.

## THE SUPREME COURT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, September 4, 1996 into the CONGRESSIONAL RECORD.

### THE SUPREME COURT

The U.S. Supreme Court recently completed its 1995-1996 term. Hoosiers don't often talk to me about the Court, but its actions have a wide-ranging impact on our daily lives and have important consequences for Congress as well. Under our constitutional system of checks-and-balances, the Court's decisions help define the limits of congressional authority.

The Court in recent years has been marked by the emergence of a conservative majority. Its conservatism is marked by a preference for law enforcement in the area of criminal law, by a general skepticism of affirmative action, and by a sympathetic view of state powers in our federal system of government. This Court has worked on several occasions to enhance the powers of the states at the expense of Congress.

But the conservative majority is not monolithic. Justice Antonin Scalia is perhaps the most ardently conservative voice on the Court, but his sharp and bitter dissents, often directed at fellow conservatives, suggest his influence has diminished. The decisive votes on key decisions, in contrast, belong to the two "moderate" conservatives, Justices Sandra Day O'Connor and Anthony Kennedy. Both are conservative, but not predictably so. In some areas of the law, most notably redistricting and state-federal relations, O'Connor and Kennedy have joined their conservative colleagues to upset long-settled constitutional principles. But in other areas, often involving individual liberties, the two Justices have taken a pragmatic, incremental approach, forging narrow majorities with their more liberal colleagues.

The number of petitions arriving at the Supreme Court has climbed to about 7,000 a term, but the Justices are taking and deciding fewer cases. This term, the Court issued the fewest written opinions (just 75) in more than 40 years. This trend reflects in part the judicial philosophy of the Court's conservative majority—that the Court should defer to elected lawmakers on policy matters and should let legal issues percolate in the lower courts before weighing in.

What follows is a summary of the key decisions from this term.

### INDIVIDUAL RIGHTS

The highest profile cases decided this term involved individual rights. Justices O'Connor and Kennedy were the swing votes. Both have rejected government policies which seek to classify people—to their advantage or disadvantage—by race, gender or sexual orientation.

In an important sex-discrimination case, the Court ruled that the men-only admissions policy at the Virginia Military Institute, a state-supported college, was unconstitutional and that the alternative program the state had devised for women was an inadequate substitute for admitting women to the military college. The Court also struck down a Colorado state constitutional amendment that nullified existing civil rights protections for homosexuals and barred the passage of any new laws protecting them at the state or local level.

The Court invalidated four congressional districts in Texas and North Carolina which included a majority of minority voters. The Court held that the use of race as a "predominant factor" in drawing district lines made the districts presumptively unconstitutional. Many states, particularly in the South, had created majority-black or hispanic districts in the last round of redistricting in an effort to comply with Justice Department interpretations of the federal Voting Rights Act. The Court, in the last two terms, has thrown out several of these maps, and will likely revisit the issue next term.

### FEDERALISM

The Court also addressed fundamental questions about the distribution of power between states and the federal government. The conservative majority has acted in recent years to curb the reach of federal authority, particularly when it may intrude on state powers. Last year, for example, the Court overturned a federal law banning gun possession within 1000 feet of a school.

This term the Court curbed the authority of Congress to subject states to lawsuits in federal courts. The case centered on a 1988 gaming law that gave Indian tribes the right to sue states in federal court to bring them to the bargaining table over terms for opening casinos. The Court held that the Eleventh Amendment to the Constitution forbids Congress from authorizing private parties, including Indian tribes, to bring lawsuits in federal court against unconsenting states.

### OTHER KEY DECISIONS

The Court issued several other important decisions this term.

The Court decided several important cases relating to free speech. The Court struck down a provision of a 1992 federal law permitting cable television stations to ban indecent programming on public access channels. It also ruled that political parties could not be limited in the amount of money they spend on behalf of their candidates as long as the expenditures are independent and not coordinated with the candidate. In a third case the Court said independent government contractors could not be fired for failing to show political loyalty. In addition, the Court struck down laws in Rhode Island and other states that prohibited the advertising of beer and liquor prices.

In the area of criminal law, the Court upheld provisions of a new federal law setting strict limits on the ability of federal courts to hear appeals from state prison inmates who have previously filed a petition challenging the constitutionality of their conviction or sentence. The Court also held that the government may seize cars, houses and other property used for criminal activity

even if the actual owner of the property did not know about the wrongdoing.

### CONCLUSION

Conservatives now control the Court, and even the liberal-leaning Justices, including Clinton appointees Ruth Bader Ginsburg and Stephen Breyer, are much more pragmatic than the old left. They are moderate on economic issues and fairly liberal on social issues, but often side with the conservative majority in criminal law cases.

The ideological center of the Court has moved to the right over the last few years, but the conservative majority is fragile. Only three Justices—Scalia, Thomas and Rehnquist—are reliably conservative, and overall the conservatives hold a narrow 5-4 advantage. The replacement of a single Justice could make a significant difference in the dynamics of the Court.

## SPEECH BY KIM SANG HYUN

HON. THOMAS M. DAVIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. DAVIS. Mr. Speaker, I believe that my colleagues would benefit from hearing the words of Kim Sang Hyun, Member of the National Assembly of the Republic of Korea, and I ask unanimous consent to have Kim Sang Hyun's speech at National Press Club on September 5, 1996, be entered into the RECORD.

### BEYOND AUTHORITARIAN LEGACIES: NEW POLITICAL LEADERSHIP FOR KOREA

(By Kim Sang Hyunq, Member of the National Assembly, The Republic of Korea)

Good morning, ladies and gentlemen.

I would like to begin by telling you what a long way it took me to be here this morning to speak to you at this prestigious press club. It took ten years. It was back in 1986 when I was invited to have the honor of speaking before this forum. Korea was then under the military dictatorship of Chun Doo-hwan, and I was prohibited from leaving the country, as were many other democracy fighters, including my colleagues who have joined me here today. I would like to introduce them to you all in the audience: (would you all come forward here, please.)

From my left, Congressman Park Chung-Hoon. He was an able leader of student movement, and he was put into jail for four times for his courageous struggle for democratization. Congressman Chang Young-Dal, who spent 8 years in prison for the crime of fighting for democracy against military rule. The last but not the least in importance, Congressman Kim Chang Be, who was the leader of the citizens of Kwangju who bravely fought the troops of General Chun and General Roh during the massacre of 1980, and later was sentenced to death.

As for myself, I spent 4 years and 3 months in prison; I was put under house arrest on 73 occasions; I was physically tortured on three occasions; and I was banned from politics for 17 years. Throughout these hard years of my political and personal ordeal, under prosecution, repression and humiliation, I never lost my spirit or my sense of duty and honor to struggle for the cause of democracy for Korea and for the cause of an ultimate unification of our nation.

It was not until 1992 that I was set free politically to make my way back to the national legislature. Well, I am sorry we may sound like a bunch of ex-convicts. And I don't even remember what my charges were for which I was sent to jail. (Wait for a

laughter.) (To the three members, "Thank you for coming out.")

Before we go into hard subjects, I want to introduce my wife. The life of the wife of an opposition politician in Korea was very difficult in those dark days. She persevered many difficult years because of me. Without her love and support, I would not have made it this far. The only good I have done for her is that I have chosen to stay married to her, now in our 38th year. But I had no other place to go anyway.

Ladies and gentlemen, I know this National Press Club, while dedicating itself to protection and promotion of the freedom of speech, has played an important role for human rights and democracy around the world. It is indeed my privilege to speak here on the topic of the need for new leadership for true democracy in Korea, and on the issue of national unification.

President Kim Young-sam's government was launched in 1993. However, the genesis of his government was a politically immoral merger of three parties under Roh Tae-woo in 1990. This brought an end to my political alliance with Kim Young-sam. Nevertheless, after he became President, I sincerely wished him to succeed in carrying out political reforms and completing the process of democratization for which we had fought together.

After more than three and a half years of his presidency, it is clear that he has failed to meet the expectation of the people for democratic reforms and a rebuilding of democratic institutions. In the view of many, including myself, Kim Young-sam has failed because of his role in the three-party merger and the complacency of supporters of authoritarian regimes who have resisted reform.

At the threshold of the 21st century, Korea calls for new political leadership to carry out genuine democratic reforms. Next year, 1997, we will have a presidential election, which I view as an opportunity to seek the kind of new leadership that can take the nation into the next millennium of civilization. If we fail to capture that opportunity, we would be pushed to the sidelines only to watch a continuation of the old practices of political division and internal bickering, instead of opening a new era of democracy and unification.

In every respect, the next year's presidential election is crucially important. It is crucially important because it offers an opportunity to realize a truly democratic transfer of power from the government party to the opposition party of a legitimate national and democratic tradition. It will be an opportunity for us to move forward to resolve the undesirable conflicts of regionalism and to narrow the unhealthy gaps between all socio-economic classes. We can then move forward to work for a settlement of peace on the Korean peninsula as a necessary step toward unification.

Ladies and gentlemen, I am preparing to run for the nomination of the presidential candidate of my party, the National Congress for New Politics. New politics today calls for new leadership. The era of coups, disrupting constitutional order or an era of authoritarian rule, suppressing democratic development, has ended.

We need a new leadership not to justify the means to an end, but to establish a tradition of respecting the process of democracy. We need a new leadership to bring about democracy within an organization as a model and to establish the rule of law as the basic instrument of governance. We need a new leadership that would not be content or remain complacent with past contributions to democratization or with the status quo of the division of the nation. A new leadership that can meet the challenge of an independent

and peaceful unification. In the coming era of national unification, we need a national leader who can earn respect and trust from the 70 million Koreans of the North and the South.

By new leadership, I mean a political leadership of vision for a new world order, a statesmanship that can lead the nation harmoniously within and "the politics of co-prosperity" without into the 21st century and beyond. Korea needs a new political leader who sees politics not as a "zero-sum game" but as a process of building a consensus and maintaining a balance through discussion and negotiation.

If the 20th century was an age of conflict and confrontation, the 21st century should become a century of reconciliation and cooperation. If the Korean peninsula of the 20th century was the arena of competition in the balance of power between the East and the West, the 21st century Korea should be able to play the role of a bridge to cooperation and prosperity in the Asia Pacific region.

A new era of a new century needs a new, creative political leadership, and I seriously intend to provide that kind of leadership which our people deserve. To win the next year's presidential election and to realize a "horizontal transfer of power" for the first time in our history, we the main opposition party must develop the right strategy. I see three sides of the strategy:

First, a presidential candidate must be elected democratically by his or her party members in a national convention. To this end, I have insisted that my party's candidate be selected through a free and open competition at the next convention, not by acclamation for a particular individual. The democratic process of selecting our party candidate should result in a welcome festivity for all members of our party and the people of Korea. I firmly believe that free competition for the party's presidential candidate will reform the undemocratic practices of both government and opposition parties, which are currently controlled and led by equally authoritarian party heads. I believe free competition will provide a turning point for a mature democracy.

Second, we must bring an end to the chronic politics of regional hegemony, that has been a fact of life for decades. South Korea needs a successful presidential candidate who opposes against "rule by regional division," and who can bring about regional harmony between the east and the west of its land.

Third, we must unite all opposition forces into a grand coalition. The absence of solidarity within the opposition camp has been one of the primary causes for the opposition's failure in taking over the reigns of government. Not to make the same mistake, an opposition presidential candidate should be someone who is considered objectively best qualified in terms of political career and statesmanship. Only such candidate can bring opposition parties together and move forward to win the presidency. When I am elected as the candidate of my party next year, I promise that with a vision of high politics, I will unite my party with the Democratic Party, which is an important stream of our opposition, and with other democratic forces.

Now I want to share with you some of my perspectives on the issue of North-South relations and unification.

In this post-Cold War era, Korea remains the only divided nation in the world, and there is no reconciliation between the north and the south; therefore, no genuine peace on the peninsula. In my view, we should change our thinking into a new approach to the frustrating task of unification. For a

new turning point, I have long thought of an approach to a peaceful unification on the basis of what I would call "the security and well-being of all Koreans" and with cooperation and support of the surrounding countries.

In the past, the issue of unification was exploited as a means of protecting the security of regimes by both leaders of the south and the north. Unification policy should be carried out to help build an all Korean national community towards security, peace and prosperity for all Koreans. The principle of "security and well-being for all Koreans" should replace the conflict of political interest. The principle of "an all Korean national community" should replace "the confrontation of political systems." Only then we can move forward to peaceful coexistence and common prosperity.

A unified Korea will have an expanded national economy to participate actively in world trade, playing a pivotal role in promotion of regional security and economic cooperation in Northeast Asia.

Having proven itself as a winner of a half-century long economic and political competition with North Korea, the confident South Korea should not be too hard on the North. In this context, a soft-landing makes a lot of sense. We should avoid implosion or explosion. We should take the initiative in inducing North Korea to reform and opening.

In order to secure a durable peace structure, I propose a two-track, parallel approach to negotiation with North Korea for a simultaneous successful conclusion of negotiations between the North and the South and between North Korea and the United States. A final peace agreement from such parallel negotiations should provide a nuclear transparency by North Korea.

As an interim move, and with the 4-party proposal pending, I propose that the U.S. president meet with the leaders of South Korea and North Korea in a third country outside the Korean peninsula to discuss and ultimately to sign a peace agreement.

With a peace mechanism for the peninsula, we can move forward to a "2+4 peace agreement" with the support of the United States, China, Japan and Russia, which will become the basis for a multi-lateral security cooperative system in the region.

Let me now focus on inter-Korean relations. To move closer to unification, agreements reached between the North and the South must be honored. We agreed on the July 4, 1972 joint statement on the principles of autonomy, peace and national unity, and signed the December 1991 Basic Agreement for reconciliation, non-aggression, exchanges and cooperation.

In the spirit of these agreements, we both North and South Korea should amend or abolish those laws and policies that impede progress towards the process of unification. Specifically, South Korea should replace "the national security law" with a "law for maintaining the democratic order." For the same token, North Korea must revise its criminal laws the constitution of the North Korean Workers Party. At the same time, practical measures of confidence building must be put into action so that both sides can move towards a mutual reduction of military arms.

If we start these measures, and if we can build on them for a further step towards unification, a peaceful unification will become a matter of time, not direction. Our approach to unification should neither be the German style of absorption nor the Vietnamese style of a military takeover by force. Ours should be a creative third style that we have not yet seen in the history of the world.

To this end, I announce my intention to meet with North Korea's virtual leader Kim

Jong Il at Panmunjom or at a place to be agreed on after I become my party's presidential candidate. I am confident that we can reach a constructive agreement on an incremental but substantive modality of negotiations and progress towards "security and prosperity for all Koreans."

Because of geopolitics, Korea in the 20th century became a battlefield of power struggle and ideological conflict, but in the 21st century a unified Korea, because of the same geopolitical reason, is expected to play the role of a balancer in power relationship and an important contributor to regional cooperation and world peace.

Next I want to discuss the environmental issues. I have always had a special interest in environment. It seems to me many governments still do not deal with environmental protection as an urgent priority issue. I am particularly concerned about the deteriorating state of environment in Northeast Asia. Unless we do something more about it, it will only become worse.

This remarkable economic growth of South Korea, the failure of North Korea's socialist economic system, the rapid industrialization and a huge amount of energy consumption by China all are the culprits contributing to the pollution of environment in East Asia. To discuss these common problems, I am planning to hold a conference to which North Korea, China, Japan, Mongolia, Taiwan, and Russia will also be invited. In this conjunction, I also propose that an Asian environmental summit be held to find better ways to promote cooperation on environmental issues.

Finally, I would like to discuss my views on how we can develop a healthier relationship between the United States and Korea. There is no doubt that many Koreans remain appreciative of many constructive roles that the United States has played in the security and economic growth of their country in modern history. The people of Korea, along with those of the international community, believe that the United States, the only remaining superpower in this post-Cold War era, should play a leading role in the establishment of a new world order based upon a principle of mutual reciprocity.

At the same time, we want to see U.S. policy for Korea become more supportive of Korean unification. It should not be perpetuated to the perpetuation of the divided Korea.

For the bilateral economic relations, I support Korea's market opening, but I oppose unfair pressure from the United States on the process of market opening.

Before I conclude, I want to say again, "an era of confrontation and conflict is gone." In the new era of political negotiation and democratic compromise, the old political strategy of "all or nothing" will not work. I would not be shy to say that I am the one who can lead Korea towards a better nation in the next century, with a kind of new leadership of vision, open-mindedness, balance and creativity.

I want to create a new political culture of dialogue, through which the nation can build a non-partisan consensus on important national issues. I will pursue a democratic compromise rather than trying to impose a unilateral view of one party or one group on the people.

I also want to mention that Korea's political achievement owes a lot to many supporters from several countries, and particularly from America. I want to lead Korea, and under my leadership, Korea will pay back its debts to many friends of democracy and human rights.

Thank you very much.

## CONGRATULATING THE MIDWAY, TX, ALL-STAR BOYS BASEBALL TEAM FOR WINNING THE STATE CHAMPIONSHIP

HON. CHET EDWARDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 11, 1996*

Mr. EDWARDS. Mr. Speaker, today I congratulate the Midway, TX, 10-year-old All-Stars Boys Baseball Team for an unbelievable comeback on the road to clinching the Texas State Championship.

The 12 young men on this team showed a winning attitude in late July when they were one game away from elimination in the Texas State tournament. The All-Stars lost the first game of the championship and were faced with a difficult situation: win every single game or be eliminated from the tournament.

The Midway All-Stars rose to the challenge. The team battled back to win four straight games, one of which went into extra innings. In the final championship game, the Midway All-Stars won 3-1 to bring home the State championship.

Everyone of these young men showed a can-do, never quit attitude. Even when they were faced with a nearly impossible situation, they showed pride, diligence, and dedication. They played as a team and won as a team.

Members of this championship squad include Tyler Andersen, Scott Boyd, Brady Conine, Craig Cunningham, Stephen Davis, Charlie Hicks, Jake Lee, Alberto Lopez, Ryan Lormand, Brandon Maddux, Jake Reichenstein, and Matt Reinke.

Thanks also go the Manager Brad Davis and Coach Butch Maddux for their work leading these young men.

I ask members to join me in congratulating this championship team and their coaches for this outstanding athletic accomplishment.

## MERCY HEALTHCARE CELEBRATES 100 YEARS OF SERVICE

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 11, 1996*

Mr. MATSUI. Mr. Speaker, I rise today to recognize one of northern California's greatest medical resources, Mercy Healthcare, on the occasion of its 100th year of hospital service to this area.

The Sisters of Mercy began making their mark on this area some 140 years ago when they traveled from San Francisco to Sacramento, then an emerging Gold Rush town. Once here, they compassionately administered to the poor and the orphaned, offering basic necessities such as food, clothing and shelter.

Recognizing a greater need for health care, the Sisters quickly embarked on an endeavor to build an institution which would care for the medical needs of the people of Sacramento. Their dream was realized in 1896, when they opened the city's first private hospital.

In 1897, shortly after they opened Mater Misericordiae Hospital, the Sisters started a training school for nurses. Over the next half century, the Mercy College of Nursing would

train more than 600 nurses, including many young women who traveled overseas to care for the injured and dying victims of both World Wars.

Less than 30 years after it opened, the hospital was closed and a new, more modern one took its place. The new hospital opened to the public on February 11, 1925. For the next 42 years, it would serve as the Sisters' only Sacramento area hospital, and the focal point for their evolving healthcare ministry.

Throughout this period, Mercy General would provide many firsts in the local medical community. In 1953, the hospital campus celebrated the opening of Sacramento Valley's first hospital dedicated solely to the care of children, the 40-bed Mercy Children's Hospital. A year later, the hospital dedicated the J.L.R. Marsh Memorial Wing to care for children crippled during the polio epidemic, as well as adults injured in industrial accidents. In 1959, the hospital opened Sacramento's first intensive care unit; in 1964, Mercy installed one of the west coast's first electronic data processing systems for accounting; and in 1968, they dedicated a special unit to provide care for heart patients. Today, Mercy General's tradition of quality continues, hosting one of the Nation's best cardiac surgery programs and a renowned stroke program.

As the region's healthcare needs changed and grew over the years, the Sisters were always poised to respond. Since the opening of their first hospital, Mercy has expanded its service to a number of communities in northern California. In addition to Mercy Healthcare Sacramento, there are now hospitals in Redding, Folsom, and Carmichael. In addition, the Sisters spread their health ministry south in 1993 with an affiliation between Methodist Hospital and Mercy Healthcare Sacramento, the organization that today carries out the Sisters' health ministry. Another affiliation between Mercy and Sierra Nevada Memorial Hospital in Grass Valley was completed in 1995.

Guided by the Sisters' values and compassion for serving those in need, Mercy Healthcare Sacramento is preparing to enter its second century of health ministry to the people of northern California. Mr. Speaker, I ask my colleagues to join me in saluting the tremendous service the Sisters of Mercy have provided this region during the past century, and in wishing them many years of continued growth and success.

## UNITED STATES ARMED FORCES PROTECTION ACT OF 1996

SPEECH OF

HON. GLENN POSHARD

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 5, 1996*

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 3308) to amend title 10, United States Code, to limit the placement of United States forces under United Nations operational or tactical control, and for other purposes:

Mr. POSHARD. Mr. Chairman, I rise today in support of H.R. 3308, the U.S. Armed Forces Protection Act. The American people