

# EXTENSIONS OF REMARKS

## THE CLINTON "DEFENSE": ANOTHER STEP TOWARD TROUBLE

HON. RANDY "DUKE" CUNNINGHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 5, 1996*

Mr. CUNNINGHAM. Mr. Speaker, President Clinton's 1997 defense budget returns us to a Carter-era hollow military. It's like the difference between Desert Storm and Desert One, Jimmy Carter's failed mission to rescue hostages in Iran. By chopping about \$10 billion from 1996 spending, President Clinton jeopardizes the military's ability to train, repair and maintain equipment, and ultimately to defend our Nation.

While the defense pot shrinks, President Clinton has increased our commitments to places like Haiti and Bosnia, costing the Pentagon and the taxpayer billions of dollars. He identifies spending for some important initiatives, but remains silent on where the cuts will come from. The fact is they will eventually come from important accounts that fund training, maintenance and upgrades to equipment. Either President Clinton is assuming Congress will provide necessary funding for defense, or he is not serious about defending our country.

Our soldiers who risk their lives for our country are continuously being asked to do more with less. Without the proper training and equipment our national security and our soldiers suffer. The 3-percent pay raise for our soldiers included in the bill will help them make ends meet back home, but we must do more than that. We must make sure our military personnel have the training and equipment necessary to do their jobs. Cutting defense spending makes this difficult, if not impossible, to do.

Clinton's shortsighted defense policy has been recognized by the Joint Chiefs of Staff who admit that defense has been under funded. Congress, which recognized the problem, kept its promise to begin fixing it. We began making the investments necessary to maintain America's standing as the world's most formidable military power. Unfortunately, while we took one step forward, President Clinton's 1997 defense budget takes us two steps back.

## SALUTE TO DAMASCUS, MD, AMERICAN LEGION POST 171

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 5, 1996*

Mrs. MORELLA. Mr. Speaker, I rise today to salute the 50th anniversary of American Legion Post 171, which is located in my congressional district. This post has over 360 active members; several members have been with the post for 50 years. The post is headed by Comdr. Robert Morris with help from Gerald Duvall, Leonard Tolley, Robert Morris, Robert Ray, Luther Burke, and Jack Day.

The American Legion has a history of contributing to the community since its founding after the First World War as a "patriotic, mutual-help, and community service organization." The membership consists of honorably discharged wartime veterans of the U.S. Armed Forces. Today's members, men and women, have served overseas in World War II, Korea, Vietnam, Lebanon, Granada, Panama, and Desert Storm. All are committed to improving their communities through active volunteerism. These efforts have helped many people, most especially our youngsters.

Of particular note are the many activities and programs for young people. Every year, Post 171 helps send teenagers to Boys State and Girls State, sponsors an awards program for elementary school children and Boy Scout troops, and provides a college scholarship program for high school students.

Mr. Speaker, please join me in saluting the efforts of the veterans of American Legion Post 171. They are an important, vital part of Maryland's Eighth Congressional District.

## IN HONOR OF BILL AND FRANCES HOGAN: TWO OUTSTANDING CITIZENS CELEBRATING 70 YEARS OF MARRIAGE

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 5, 1996*

Mr. MENENDEZ. Mr. Speaker, I rise today to pay tribute to two outstanding citizens, Bill and Frances Hogan, who celebrated their 70th wedding anniversary on March 1. Father John Doherty of St. Andrew's Church, Bayonne celebrated a special Mass in their honor on Saturday, March 2 at noon.

Saturday's remembrance acknowledged the enormous contributions made by Bill and Frances Hogan to their family and community. March was destined to be an important month for Mr. and Mrs. Hogan; Frances was born on the 14th of the month and Bill on the 26th. On March 1, 1926, the future Mr. and Mrs. Hogan were married by Msgr. Charles Doyle in the same St. Andrew's Church where their union will be commemorated. On that happy day, the bride and groom were attended by Ed and Carrie Van Dwight as best man and maid of honor.

This joyful marriage produced eight children to follow in their parents' footsteps of service to the community: Virginia, Donovan, Cecilia Van Wagner, Dolores, Matt, Bill, Jerry and Bernadette Stuponski. Mr. and Mrs. Hogan are the proud grand-parents of 28 and great grand-parents of 19 with 1 more due in May.

Bill Hogan is a citizen who has distinguished himself with dedication to his community in Bayonne. Mr. Hogan was an active participant in the administration of his town's judicial system serving as chief court clerk for over 25 years. In addition to his duties as father and public official, Mr. Hogan was a founder of the

Police Athletic League program in Bayonne. a sports enthusiast, Mr. Hogan also served as a coach in both the Bayonne Little League and Catholic Youth Organization programs.

Frances Hogan is an individual inspired with a commitment to family and her fellow citizens. Mrs. Hogan played an integral role in the development of her children. As a full-time mother, Mrs. Hogan's guidance led to her children becoming responsible community members. After her children had grown, Mrs. Hogan went to work for the Bayonne Economic Opportunity Foundation. A very religious woman, Mrs. Hogan also became an extremely active member of St. Andrew's parish.

It is an honor to have two such exceptional individuals residing in my district. They exemplify the important relationship that exists between family and community. I ask my colleagues to join me in recognition of Bill and Frances Hogan's life-long commitment to their community and to each other.

## CUBAN EMBARGO NOT THE ANSWER

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 5, 1996*

Mr. BEREUTER. Mr. Speaker, Cuba's shutdown of two civilian aircraft, resulting in the loss of four American lives just over a week ago, was a reprehensible and cowardly act. Certainly, a swift and decisive response from the U.S. Government is entirely warranted. Whether the Clinton administration has chosen the appropriate response is far less certain.

This Member would call to the attention of his colleagues an editorial in the March 3, 1996 edition of the Washington Post, entitled "The Great Cuban Embargo Scam". A key intent behind the embargo legislation is to discourage foreign investment in Cuba by allowing Cuban-Americans to sue in U.S. Federal courts those foreign companies doing business on land once owned by these exiles. Author Louis F. Desloge argues that, conversely, companies are unlikely to abandon viable operations in Cuba because of lawsuits, and would be more than willing to settle out of court.

Mr. Speaker, this Member would ask that Mr. Desloge's editorial from the Washington Post be placed in today's record and urges that his colleagues read it.

[From the Washington Post, March 3, 1996]

## THE GREAT CUBAN EMBARGO SCAM

(By Louis F. Desloge)

Virtually everyone agrees that President Clinton should retaliate forcefully against Cuba's tragic and murderous downing of two civilian aircraft last weekend. But the least effective and most counterproductive punishment is Clinton's acquiescence to the Helms-Burton bill to tighten the U.S. embargo of Cuba. This legislation, which the White House endorsed last week, albeit with reservations, will only play into Castro's hands

• 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.

by creating an expansive loophole for property claimants, especially wealthy Cuban Americans, to circumvent the embargo.

Jesse Helms and Dan Burton, conservatives whom I admire, are no doubt sincere in their motivation to subvert Castro's rule by applying economic pressure on his regime. However, they may very well achieve just the opposite of what they seek by butressing, not undermining, Castro's support at home and weakening, not strengthening, the embargo's prohibition on trade with Cuba.

The Helms-Burton bill is a slick stratagem. Its stated purpose is to tighten the embargo by allowing Cuban Americans to have the unprecedented right to sue, in U.S. federal courts, foreign companies doing business on land once owned by these exiles. The idea is to discourage foreign business investment in Cuba, thus undermining the island's financial recovery which, the bill's supporters naively hope, will result in a collapse of the Castro regime. The bill's practical consequences are a different story.

A little-noticed provision in the Helms-Burton measure will enable a small group of Cuban Americans to profit from the economic activity occurring in Cuba.

To understand this provision, one must first know who helped write it. As the Baltimore Sun reported last May, the bill was drafted with the advice of Nick Gutierrez, an attorney who represents the National Association of Sugar Mill Owners of Cuba and the Cuban Association for the Tobacco Industry. Gutierrez acknowledges his involvement, as does Ignacio Sanchez, an attorney whose firm represents the Bacardi rum company. Sanchez told the Sun that he worked on the bill in his capacity as a member of the American Bar Association's Cuban Property Rights Task Force and not as a representative of the rum company.

It is not hard to surmise what these former sugar, tobacco and rum interests will do if and when the law takes effect: sue their competitors who are now doing business in Cuba.

Gutierrez told the Miami Herald last fall as saying that he (and his clients) are eyeing a Kentucky subsidiary of British-American Tobacco (B.A.T.) that produces Lucky Strike cigarettes. B.A.T. has a Cuban joint venture with the Brazilian firm Souza Cruz to produce tobacco on land confiscated from his clients, Gutierrez claims.

Bacardi would be able to sue Pernod Ricard, the French spirits distributor, currently marketing Havana Club rum worldwide. Bacardi claims that Pernod Ricard's rum is being produced in the old Bacardi distillery in the city of Santiago de Cuba.

Here is how this vexatious scheme will work if Helms-Burton becomes law. The former landowner of a tobacco farm files a suit in federal court against British-American Tobacco and seeks damages. If both sides want to avoid prolonged litigation they can reach an out-of-court settlement whereby the former tobacco grower can now share in the profits of the ongoing B.A.T.-Brazilian joint venture in Cuba. Likewise, Bacardi could reach a settlement to get a share of Pernod Ricard's profits from sales of Havana Club internationally.

These agreements do not need the blessing of the U.S. government. This is the million dollar loophole in Helms-Burton. The bill states: "an action [lawsuit] . . . may be brought and may be settled, and a judgment rendered in such action may be enforced, without the necessity of obtaining any license or permission from any agency of the United States."

What will be the practical result? Foreign companies like Pernod Ricard and British-American Tobacco are unlikely to abandon viable operations in Cuba because of a law-

suit. More likely, these foreign businessmen will agree, reluctantly, to pay off Cuban exiles suing under Helms-Burton. Given the choice of forfeiting millions of dollars invested in Cuba or their financial interests in the United States, the practical business solution might be to give the exiles a cut of the action. Far better to have 90 percent of something than 100 percent of nothing, these businessmen will reason. Allowing Cuban Americans a share of their profits will just be factored in as another cost of doing business.

Indeed, Helms-Burton gives the Cuban exile community a strong financial stake in Castro's Cuba. If the foreign businesses simply withdrew in the face of Helms-Burton, the exiled tobacco, sugar and rum interests would get nothing. But if British-American Tobacco or Pernod Ricard or any other foreign firm now doing business with the Castro regime offers an out-of-court settlement to Cuban American exiles, who is going to turn them down? Given the option, at least some people are going to choose personal enrichment over the principle of not doing business with Fidel. After all, Fidel has been in power for 37 years, and the exiles are not getting any younger.

The Clinton White House is not unaware of the scam at the heart of the bill. Before the shooting down of the plane, the president had objected to the provisions allowing U.S. nationals to sue companies doing business in Cuba. During last week's conference with Congress, the president's men surrendered and asked for a face-saving compromise: a provision giving the president the right to block such deals later on if they do not advance the cause of democracy in Cuba. But how likely is Clinton to block Cuban Americans in Florida, a key election state, from suing Castro's foreign collaborators later in the final months of an election year? Now very.

The bottom line is that Clinton, in the name of getting tough with Castro, has endorsed a bill that allows the embargo to be evaded and protects Cuban Americans who want to legally cut deals to exploit their former properties in Cuba while the rest of the American business community must watch from the sidelines.

In fact, the legislation could encourage a massive influx of new foreign investment in Cuba. Armed with the extortionist powers conferred by the legislation, former property holders could shop around the world for prospective investors in Cuba and offer them a full release on their property claim in exchange for a "sweetheart" lawsuit settlement entitling them to a piece of the economic action. Thus, the embargo is legally bypassed and everyone laughs all the way to the bank.

Actually, not everyone would benefit. The Clinton-endorsed version of Helms-Burton only exempts the wealthiest cabal of Cuba's former elites from the embargo's restraints. The bill will only allow those whose former property is worth a minimum value of \$50,000 (sans interest) to file suits. And you had to be very rich to have owned anything of that value in Cuba in 1959. If you were a Cuban butcher, baker or candlestick maker, too bad. This bill is not for you.

What could be more useful to Castro in his efforts to shore up his standing with the Cuban people? The spectacle of the U.S. Congress kowtowing to these Batista-era plantation owners and distillers provides Fidel his most effective propaganda weapon since the Bay of Pigs debacle. Castro surely knows that the overwhelming majority of the Cuban people—60 percent of whom were born after 1959—would deeply resent what can be characterized, not unfairly, as an attempt to confiscate their properties and revert control

over Cuba's economy to people who symbolize the corrupt rule of the 1950s. Rather than undermining Castro's rule, this bill would drive the people into his camp.

Where is the logic in denying the vast majority of the American people the right to become economically engaged in Cuba if it is extended to only a select, wealthy few? Is the concept of "equal protection under the law" served if non-Cuban Americans are now relegated to the status of second-class citizens? Or is the real intent of this bill to allow rich Cuban exiles the opportunity to get a jump start and thereby head off the "gringo" business invasion certain to follow the demise of the embargo and the inevitable passing of Castro.

Let us put an end to this special interest subterfuge. Whatever obligation the United States had to my fellow Cuban Americans has been more than fulfilled by providing us safe haven and the opportunity to prosper and flourish in a free society. Providing us, once again, another special exemption which makes a mockery of the American Constitution, laws and courts, not to mention making a farce of U.S.-Cuban policy, is an insult to both the American and Cuban people.

If we are going to lift the embargo for a few wealthy exiles then, fine, let us lift it for all Americans. To be fair and consistent, why not liberate the entire American community to bring the full weight of its influence to bear upon Cuban people? Implementing an aggressive engagement policy to transmit our values to the Cuban people and to accelerate the burgeoning process of reform occurring on the island has a far better chance of ending Castro's rule than the machinations of Helms-Burton.

#### WORKFORCE PARTNERSHIP AWARD

HON. GEORGE P. RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 5, 1996*

Mr. RADANOVICH. Mr. Speaker, the National Association of Private Industry Councils [NAPIC] will be in Washington, DC, on March 3 to open an important conference on improving America's work force. At this conference, well-deserved recognition will be given to Ruiz Food Products, Inc. for their progressive leadership and tireless efforts in enhancing our Nation's goal of a better educated labor force. As the 1996 recipient of NAPIC's Workforce Partnership Award, Ruiz Food Products located in California's Tulare County, has shown that its efforts to energize the area's commitment to develop job skills have not gone unnoticed. Ruiz Food Products, with the vision of individuals such as Fred Ruiz, has clearly forged the strategic partnerships with private industry councils necessary to lift up, in an era of downsizing, a sometimes discouraged work force. My hat's off to them since America is a better place for their efforts. Many of the unique and compassionate programs they have developed, such as on-site education and literacy enhancement centers, strike a ringing cord of commitment in a society increasingly silent on these matters. Mr. Speaker, I would like to extend the recognition of this Congress to Ruiz Food Products' recent job well done.