

First, we must make a better case to the American public on the global nature of threats and our current defense posture. On this note a recent poll shows that two-thirds of the American public believe that we are now protected by a ballistic missile system—despite the fact that no such system exists.

Second, we must take steps to see that defense becomes an issue in the current election cycle, with a focus on Fiscal Year 1997 defense budget.

Third, we must reestablish the firewalls around the defense budget so that it does not become a checkbook for the rest of the federal budget.

Fourth, we must continue to spend each dollar for defense more efficiently by continuing the DOD's excellent start on acquisition reform and by improving the tooth-to-tail ratio of our armed forces by shedding ourselves of excess depot capacity.

We can do this and arrest the protracted decline or we can wait and see.

Again . . . Forrestal's words ring true.

Advising President Truman in 1945 when Stalin began breaking the agreements reached at Yalta, Forrestal said:

"We might as well meet the issue now as later on."

For us, some fifty years later, we might as well meet the issue in our next cycle of defense budgets and not wait and see.

CONFERENCE REPORT ON H.R. 1561, FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 1996 AND 1997

SPEECH OF

HON. BENJAMIN L. CARDIN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 12, 1996

Mr. CARDIN. Mr. Speaker, I rise to express my disappointment in the conference report on H.R. 1561. I support many of the provisions in the bill and I had hoped that the conferees might fix H.R. 1561 so that I could support the conference report. For example: I believe that it is important to show, particularly at this time, our support for Taiwan; to support initiatives which require that organizations receiving United States assistance in Ireland abide by the MacBride principles; to continue to condemn China for its human rights record; and to prohibit assistance to any county that bars or obstructs delivery of United States humanitarian aid.

Despite these favorable provisions in H.R. 1561, I cannot support the conference report. This bill seeks to consolidate the State Department and its related agencies. However, the House leadership decided to impose its reconfiguration instead of working in conjunction with the administration. The result is legislation that is very poorly drafted as to how to achieve consolidation. In addition, this bill fails to authorize international family planning assistance spending which was required by the Foreign Operations appropriations bill. The appropriations bill stated that no monies for international family planning would be released unless authorized to do so in H.R. 1561. The failure to include such authorization is disastrous. Because of the lack of authorization language, it is projected that over 5,000 women will die over the next year from either self-induced abortions or unplanned pregnancies.

Mr. Speaker, I voted "no" on the foreign relations authorization conference report. I hope

that Congress will begin to work in cooperation with the administration regarding agency consolidation and pass on appropriate Foreign Relations Revitalization Act.

TRIBUTE TO HORACE RAYMOND GEORGE

HON. THOMAS M. BARRETT

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1996

Mr. BARRETT of Wisconsin. Mr. Speaker, it is with sadness that I pay tribute to the memory of a remarkable man from the city of Milwaukee, Horace Raymond George. I would like to extend my greatest sympathy to the George family by taking a moment to reflect on the rich life of this fine family man.

Mr. George was born in Chicago and raised in Louisiana. As a youth, he loved to play basketball which he matched with an even greater appetite for reading. Mr. George found employment at a local drugstore where he had access to scores of newspapers to satisfy his hunger for knowledge. He came to Wisconsin to study economics at the University of Wisconsin-Madison where he also attended law school, earning his degree in 1950. After serving as a judge advocate during the Korean war, he settled in Milwaukee with his wife Audrey.

Determined to establish his own law practice, Mr. George worked nights for the American Motor Co. while using his days to get the practice up and running. A skilled and diligent attorney, he also worked as a field attorney for the Department of Veterans Affairs, was a lecturer at Wisconsin Law School, and was a member of the Wisconsin, Illinois, Texas, and District of Columbia bars. Mr. George was admitted to practice before the U.S. Supreme Court. In 1984, Wisconsin Law School honored Mr. George for his outstanding commitment and dedication to the legal profession, awarding him their special recognition award.

In addition to his professional endeavors, Mr. George will long be remembered for his selfless work on behalf of our community. He was active in the Knights of Columbus and the St. Thomas Moor Legal Society. Mr. George also served on the boards of St. Anthony's Hospital and the Wisconsin Center. He will also be long remembered for his vivid interest in Egyptian and African art, history, and culture.

Mr. George is survived by his beloved wife Audrey, his son Gary, a State senator and former classmate and colleague of mine from Milwaukee, his sons Mark, Michael, Gregory, and his daughter Janice. Indeed, this is a loss that will be felt throughout Milwaukee and the entire State of Wisconsin, for Horace Raymond George touched the lives of many during his rich 71 years.

I ask my colleagues to join me in remembering the honorable and gracious memory of Horace Raymond George. I am certain that his legacy will endure for years to come.

NEIL SMITH, KANSAS CITY CHIEFS
HONORED

HON. KAREN MCCARTHY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1996

Ms. MCCARTHY. Mr. Speaker, I rise today to pay tribute to one of NFL's finest defensive players and one of Kansas City's finest citizens, Neil Smith of the Kansas City Chiefs. Mr. Smith is in Washington today to accept a prestigious award from the U.S. Junior Chamber of Commerce [JAYCEES] which has selected Neil Smith as a member of the Congress of Ten Outstanding Young Americans.

Neil Smith spent his childhood struggling in school with a learning disability. He was in junior high school before the education system acknowledged his special challenges and helped him discover ways in which he could learn and succeed. Neil Smith will never forget the cruel labels placed on children with dyslexia. That is why today he dedicates time and energy to help youngsters living with learning disabilities.

As a former educator, I personally appreciate Mr. Smith's selfless efforts to heighten public awareness and find solutions for individuals with disabilities. He is the national spokesperson for Foundation for Exceptional Children's "Yes I Can" Program which encourages disabled children to reach their goals and recognizes their many achievements. He recently partnered with the Learning Disabilities Association of Missouri to fund and produce a public service announcement aimed at dispelling the misconception that children with learning disabilities are "dumb" or "slow". He says they just need to be shown things in a different way.

Neil Smith's efforts remind the Congress that these youth need the support of an education system that works for them, not against them. All children have dreams and each and every one of them deserves the opportunity to achieve those dreams just as Neil Smith has. In Mr. Smith's words, "People with learning disabilities are not unfortunate. The unfortunate people are quarterbacks." Thank you, Neil, for your dedication to our children and your inspiring energy both on and off the field.

THE COMMON SENSE CORPORATE RESPONSIBILITY ACT OF 1996

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1996

Mr. VISCLOSKY. Mr. Speaker, because I am concerned about the hundreds of billions in taxpayer dollars spent every decade on Fortune 500 corporations and special interests, today I am introducing legislation that will cut \$39.575 billion in corporate welfare and end welfare for Ronald McDonald. The House has already passed the Personal Responsibility Act to reform welfare. It's time to pass the Commonsense Corporate Responsibility Act and get some of our richest corporations off the Government dole. This bill puts a balanced budget, jobs, education, and a clean environment ahead of handouts to Fortune 500 companies and special interests.

Estimate on total corporate welfare expenditures range from \$200 billion to \$500 billion over 5 years, which would go a long way toward balancing the budget and investing in our future. This bill would save \$39.575 billion over 5 years by ending 6 programs and reforming 1 program, some of the most egregious corporate welfare programs. Because I've limited this legislation to the most egregious examples, my bill is a litmus test for anyone who is serious about ending corporate welfare.

My bill will end the territorial possessions tax credit, which will save taxpayers \$19.8 billion over 5 years. Corporations chartered in the United States are subject to U.S. taxes on their worldwide income. However, the U.S. Territorial Possessions Tax Credit provided by section 936 of the IRC permits qualified U.S. corporations a tax credit that offsets some or all of their U.S. tax liability on income from business operations in the possessions. My bill would eliminate this tax credit because the current incentive encourages companies to move jobs and capital out of the 50 States to overseas locations. The tax credit is not cost effective because foregone tax collections are high compared to the number of jobs created in the possessions. For example, taxpayers lose an average of \$70,000 in revenue for every job created in Puerto Rico. The many drug companies and electronic firms that have set up subsidiaries in the possessions often assign ownership of their most valuable assets—patents, trade secrets and the like—to their territorial operations, and then claim that a large share of their total profits is earned in the possessions and therefore eligible for the tax break.

My bill will end the Foreign Sales Corporation [FSC] tax credit, which will save taxpayers \$7.8 billion over 5 years. The tax code's FSC provisions permit U.S. exporters to exempt 15 percent of their export income from U.S. taxation. This encourages U.S. companies to form subsidiary corporations in a foreign country—which can just be a mailing address—to qualify as a FSC. A portion of the FSC's own export income is exempt from taxes, and the FSC can pass on the tax savings to its parent because domestic corporations are allowed a 100-percent dividends-received deduction for income distributed from a FSC. This program does not increase U.S. exports, and it may actually expand our trade deficit.

My bill will end special tax treatment of alcohol fuels, which will save taxpayers \$3.875 billion over 5 years. Manufacturers of gasohol (a motor fuel composed of 10 percent alcohol), get a tax subsidy of 54 cents per gallon of alcohol used. Also known as ethanol, 95 percent of current production is derived from corn. The subsidy is designed to encourage the substitution of alcohol fuels produced from corn for gasoline and diesel. The gasohol tax break was enacted to lower the cost of producing a fuel that is not competitive. It targets one, specific, alternative fuel over many others—such as methanol, liquefied petroleum gas, compressed natural gas, or electricity—that could also substitute for gasoline or diesel. Alcohol fuel not only costs more, but also requires substantial energy to produce, diminishing the net, overall, conservation effect. Providing tax subsidies for one type of fuel over others is an inefficient allocation of resources when the subsidized fuel is more costly to produce than other fuels. Substantial

losses in Federal tax revenue have primarily benefited Archer-Daniels-Midland, the Nation's chief gasohol producer.

My bill will end irrigation subsidies, which will save taxpayers \$4.15 billion over 5 years. Irrigation subsidies encourage inefficient use of water resources, including production of water-intensive crops in arid regions. In these regions, loss of natural river flows has destroyed wetlands and devastated fish and wildlife populations. Many of these subsidies go toward production of surplus crops, which the U.S. Government pays farmers not to grow. This double dipper subsidy costs taxpayers as much as \$830 million annually. Also, these subsidies foster agricultural production on marginal lands, the cultivation of which requires excessive chemicals. Polluted drainage and runoff from these lands contributes to the degradation of rivers and streams, as well as to the contamination of aquifers and poisoning of fish and wildlife.

My bill will end the practice of subsidizing the purchase of produce by foreign consumers, which will save taxpayers \$3.5 billion over 5 years. The United States Department of Agriculture subsidizes the export of agricultural commodities through the Export Enhancement Program [EEP]. U.S. exporters, primarily multinational commodity firms, participating in the EEP negotiate directly with buyers in a targeted country, then submit bids to the USDA for cash bonuses. The program, established under the Reagan administration, is ostensibly meant to match European export subsidies, but does more to boost exporters' profits than U.S. farm production. The program has not been an effective counterweight to foreign subsidies and has depressed world commodity prices, penalizing competitors who do not subsidize their exports.

My bill will end the Market Promotion [MPP], which will save taxpayers \$550 million over 5 years. The Market Promotion Program [MPP], which will save taxpayers \$550 million over 5 years. The Market Promotion Program spends \$110 million per year underwriting the cost of advertising American products abroad. In 1991, American taxpayers spent \$2.9 million advertising Pillsbury muffins and pies, \$10 million promoting Sunkist oranges, \$465,000 advertising McDonald's Chicken McNuggets, \$1.2 million boosting the international sales of American Legend mink coats, and \$2.5 million extolling the virtues of Dole pineapples, nuts, and prunes. Wrangler of Japan—partly owned by Mitsubishi—collected \$1.1 million from American taxpayers to advertise jeans in Japan, which were not even manufactured in the United States. The MPP has done little to assure that funds increase overseas promotional activities rather than simply replace private funds that would have been spent anyway. These companies hardly need a Federal subsidy for advertising, and the program has become a virtual entitlement for some of the biggest corporations in America.

My bill will reform the Mining Act of 1872, which will save taxpayers \$300 million over 5 years. The 1872 Mining Act permits companies (foreign or domestic) to extract valuable minerals from Federal land—taxpayer-owned land—for next to nothing. They can purchase land for \$2.50 per acre and pay no royalties on the minerals they extract. Each year, \$2 billion to \$3 billion worth of minerals are taken from public lands. Mining companies can "patent"—or buy—20-acre tracts of land for \$5 an

acre or less. This patenting process has been used to sell more than 3.2 million acres of public land, an area about the size of Connecticut. Also, massive environmental damage has been left by mining operations on public lands. The cost of such cleanups is estimated at between \$32 to \$72 billion. The Atlanta Journal and Constitution newspaper editorialized that a Canadian company * * * was able to steal a \$10 billion gold mine from the United States taxpayers, who owned both the property and the mineral rights. The company paid less than \$10,000 for the land. My bill would charge royalties and lease land.

The legislation I am introducing today will be a good start toward ending corporate welfare and balancing the Federal budget. I urge you and all of my House colleagues to support it.

THE ONLINE PARENTAL CONTROL ACT OF 1996

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1996

Ms. ESHOO. Mr. Speaker, today I'm introducing the Online Parental Control Act of 1996 to fix a major flaw in the telecommunications reform bill. My proposal strengthens the control parents have over their children's access to online materials and better protects the first amendment rights of computer users.

First, it replaces the controversial indecency standard with a constitutional harmful to minors standard.

Second, it provides additional incentives for the development of better parental control technologies, as well as the use of labeling or segregating systems which would allow parents to restrict access to online materials.

I support efforts to address this issue in court. But I also believe a protracted legal battle will potentially leave children exposed to harmful material and place the free speech rights of computer users in jeopardy for an extended period of time.

Congress needs to offer both sides of this controversy a reasonable opportunity to resolve it. The Online Parental Control Act, I believe, is the sensible opportunity.

Mr. Speaker, I urge my colleagues to support this effort to protect both children and free speech by cosponsoring this legislation.

LEGISLATION TO ELIMINATE THE DISINCENTIVE FOR EMPLOYERS TO PROVIDE BONUSES TO CERTAIN EMPLOYEES

HON. CASS BALLENGER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1996

Mr. BALLENGER. Mr. Speaker, today I am joined by Mr. GOODLING and Mr. FAWELL in the introduction of legislation to eliminate the disincentive under the Fair Labor Standards Act for employers to provide bonuses to hourly paid employees. Presently, the FLSA requires that certain payments to a nonexempt employee—such as commissions, gainsharing, incentive, and performance contingent bonuses—must be included in the employee's