

nearly 400 years of Ottoman rule and return Greece to its democratic heritage. Today, I join the almost 3 million Greek-Americans living in the United States in celebrating the 175th anniversary of Greek Independence Day.

On this anniversary it is appropriate to reflect on the strong historical bond between our two countries. More than 2,500 years ago the idea of democracy was born in Athens. The intellectual and political climate of that time provided the impetus for a sea-change in philosophy, the arts, and science. In the preface to his poem *Hellas*, Shelley wrote: "Our laws, our literature, our religion, our arts have their roots in Greece."

Our Founding Fathers drew heavily upon the political and philosophical experience of the ancient Greeks in forming our representative democracy. Since that time, the contributions of Greek-Americans to the development of our Nation can be found in all areas of American life—from great scientists like Nicholas Christofilos to our Greek-American colleagues in Congress to the souvlakis we eat.

On this 175th anniversary it is appropriate that we take pride in celebrating the enduring relationship between our two countries.

HONORING JAMES R. NUNES

HON. BILL BAKER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 22, 1996

Mr. BAKER of California. Mr. Speaker, in an era when crime is all too frequently a part of our daily lives, it is good to know there are brave, capable men and women who each day protect and serve the American people.

James R. Nunes is one of these persons. His 33 years of service as a law enforcement officer have been exemplary to his colleagues and rewarding to those he has served. For the past 26 years, he has been a member of the Pleasant Hill, CA police force; the past 17 of these years, he has been Chief of the Pleasant Hill force.

During his tenure, Chief Nunes has played an active role in putting police on the beat, developing effective youth, crime prevention and DARE programs, and other meaningful anti-crime and community-building efforts. His understanding of the needs of future law enforcement led to the construction of an outstanding new police facility. And his role in the California Peace Officers Association, his study at the FBI National Academy, and his ongoing commitment to professional development in a variety of positions and organizations have enabled him to stay on the cutting edge of leadership.

It is a pleasure for me to recognize Chief Nunes, and to wish him every success in all his future endeavors.

IN HONOR OF FOOD & FRIENDS

HON. JAMES P. MORAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 22, 1996

Mr. MORAN. Mr. Speaker, I rise today to salute a group of people that have done so

much for the people of the Washington Metropolitan area. Food & Friends, an organization dedicated to feeding nutritious meals to homebound people with AIDS, is preparing to celebrate Thanks A Million Day. One week from today, Food & Friends will deliver its one million meal.

The number of HIV positive and AIDS cases in the Washington area has increased exponentially in just a few years, ranking Washington fifth for the highest number of AIDS cases in the Nation. Fortunately, also on the exponential rise is the determination and capability of the people at Food & Friends. When the group was founded in 1988 it served 30 clients per day. Today 450 area homebound people with AIDS receive 1,350 nutritious meals every day at no cost to Food & Friends clients.

Providing physical sustenance is vital to HIV positive people, and people with AIDS. Volunteer visits for their spiritual sustenance are equally important. Food & Friends works alongside other AIDS service programs, including those which offer support groups and legal advice. In addition they provide nutrition, education and counseling services to the HIV community by a trained and licensed dietician. Food & Friends provides companionship and life sustaining nutrition enhancing their clients quality of life.

Mr. Speaker, I am proud to see my constituents, along with the constituents of my metropolitan area colleagues, working side by side to serve this group of people so in need. Whether by volunteering to deliver meals, dedicating professional services, or contributing to the United Way Combined Federal Campaign, our friends have helped to make the lives of Food & Friends clients a little easier. I applaud their work to help the people in their own community, and as I join my metropolitan area colleagues at Thanks A Million Day, I urge you to join us in thanking this wonderful organization for the invaluable service it provides; in essence, food and friends.

SECOND ANNIVERSARY OF
DURHAM WOODS EXPLOSION

HON. BOB FRANKS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, March 22, 1996

Mr. FRANKS of New Jersey. Mr. Speaker, tomorrow is the second anniversary of the Durham Woods natural gas pipeline explosion.

On that fateful night, the residents of Edison, NJ were startled out of their sleep by the tremendous explosion that ripped through the Durham Woods apartment complex.

A 36-inch natural gas pipeline had ruptured, sending men, women, and children fleeing from their homes in a race for their lives against a roaring wall of fire.

Miraculously, only one person died. Twenty-nine others escaped with only minor injuries.

Although the physical rebuilding of Durham Woods is complete, this horrendous explosion has left lingering fears about the hidden dangers of natural gas pipelines.

Unfortunately, Congress has been slow to act to pass pipeline safety legislation. Although the House Transportation and Infrastructure Committee, of which I am a member, quickly passed a pipeline safety bill in the

opening months of the 104th Congress, this bill still has not been voted on by the full House.

This delay is precluding some important new safety measures from becoming law that could help prevent another Durham Woods-type disaster.

For example, although it may never be precisely determined what caused the Durham Woods blast, authorities strongly suspect that a gouge, found in the pipeline after the explosion, had weakened the pipeline and precipitated the blast.

Nationally, the single largest cause of pipeline accidents is excavating crews or other workers accidentally damaging pipelines. But in far too many instances, the damage is never reported to the pipeline operator. After the incident, the weakened pipe begins to deteriorate and the risk of an explosion increases.

A proposal I drafted that was included in the House pipeline safety bill addressed this problem. My proposal would establish a tough new Federal crime that would punish anyone who damages a pipeline and does not promptly report the damage to the authorities. Violators would not only be hit with a hefty fine of \$25,000, but would face a jail term of 5 years.

Another provision in the pipeline safety bill of particular importance to any constituents concerns the one-call system. All States currently have some form of one-call system which requires construction crews to contact a central office before beginning any excavation work near a pipeline. But the success of these programs is often hindered by a lack of knowledge about the program or how it works. An important feature of the pipeline safety bill encourages pipeline companies and the States to launch public education programs aimed at all businesses which conduct excavating activities. This education program would increase compliance with one-call systems, which play an essential role in keeping pipelines safe.

Mr. Speaker, while I am working to get Congress to pass a pipeline safety bill, I believe that improving pipeline safety is not solely the responsibility of the Government. The pipeline companies that own and operate natural gas pipelines should be improving their own safety programs. Improving the safety of their pipelines and increasing the public's confidence not only makes good business sense, it is the right thing to do.

Therefore, today I am calling on Texas Eastern, who owns the pipeline that immolated Durham Woods 2 years ago, to voluntarily make a commitment to upgrade their safety procedures. Specifically, I request that Texas Eastern take immediate steps to install a remote control valve system on its pipelines in New Jersey. A remote control valve system would allow the flow of natural gas to be shut off by a human operator in case of a leak or a fissure in the pipeline. If a remote control valve was in place near the rupture that caused the Durham Woods explosion, this disaster may have been avoided.

Mr. Speaker, Texas Eastern shouldn't wait for a law that would require it to make its pipelines safer. Moreover, this Congress shouldn't have to wait for the next pipeline disaster before it is prodded into passing a pipeline safety bill. My constituents have been waiting 2 years for a response from their Government, and for Texas Eastern to install remote control valves. They should be required to wait no longer.

THE ROLE OF EMPLOYERS

HON. ROBERT S. WALKER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 22, 1996

Mr. WALKER. Mr. Speaker, we are engaged in a great economic debate in this country. As information technologies transform our economy, and economic competition becomes increasingly globalized, we must decide how to address the challenges before us.

Companies, along with their owners and managers, have been called insensitive to worker concerns and uninterested in anything but the bottom line. An eloquent defense of the role of employers in our culture has been made this past week. In a speech before the Economic Club of Detroit, the chairman and chief executive officer of the Chrysler Corp., Robert J. Eaton, makes clear why the economic survival and success of the Nation's employers is positive for their workers and for the communities where they are located.

Therefore, Mr. Speaker, I am pleased to include in the RECORD at this point excerpts of the text of the Eaton speech.

EXCERPTS BY ROBERT J. EATON, CHAIRMAN AND CEO, CHRYSLER CORPORATION

It's open season on big business and CEOs. Party, that's because it's an election year and beating up on Wall Street and Corporate America is a cheap way to get votes or sell papers. This is old-fashioned, empty-headed, tub-thumping populism.

The Democrats lost Congress because people got mad at Washington. Now the plan is to get the voters mad at somebody else. And on the right you have Pat Buchanan. He's mad at big government, big business, the United Nations, the Chinese, the Japanese and the Mexicans (Mexicans on both sides of the border, by the way). Pat's mad at just about everybody.

So all this current fear and loathing directed at American corporations should not be surprising. It's being orchestrated to move political and economic agendas.

But that's not to say that Americans today don't have some very legitimate fears. They do. And they are rational fears about holding onto a good job if they have one, and getting one if they don't.

A New York Times reporter went into a big department store in the Ginza recently and found 14 clerks in the jewelry department ready to wait on him. He then gushed about how enlightened Japan's full-employment policy is, and condemned the U.S. business community (and I'm quoting), "where executives get bonuses for massacring their employees."

We can copy the Japanese. We can have 14 clerks to sell you a watch. We only need to do three things:

We have to close our borders to foreign competition.

We have to convince American consumers to pay \$50 for a melon.

And we have to stop giving the owners of American companies a fair return on their investment.

That's all. That's how the Japanese have done it.

I don't think Americans are going to shut out foreign goods. I don't think Americans will pay \$50 for a melon. And I don't think the owners of America's companies are going to stop demanding a fair return.

In Japan, the owners of a company happen to be large banks and other members of that company's keiretsu. They're more like partners than owners. It's different here, and one

of the key elements of the current national debate we're having is who owns our corporations, who runs them, and for whose benefit.

Well, there have been some changes over the years.

Large institutional investors like mutual funds and pension funds now own more than half the stock in American companies today—maybe as much as 60 percent. In 1980 it was 40 percent. In 1970 it was 19 percent. Go back much further than that and these institutions were inconsequential.

In 1980, they managed about \$1.9 trillion. In 1990, the figure was \$6.3 trillion. Last year they managed more than \$10 trillion.

They are big, and they have enormous clout, and in the past decade they have decided to use that clout.

Let me give you a list of companies that all of you will recognize: American Express, IBM, Westinghouse, Apple Computer, Eli Lilly, Eastman Kodak, Scott Paper, Borden. In just one year—1993—the CEOs of those eight companies were bounced, in no small measure due to pressure from institutional investors.

Most of the institutions don't follow the old Wall Street rule that says if you don't like the company, sell the stock. Some are so big and own such large chunks of individual companies that selling the stock simply isn't practical. So today, if they don't like a company, they may try to change it.

They have a right to. They are the owners. Or at least they've been empowered to act for the real owners—their shareholders.

Now here's the rub.

These institutions have one central goal, and that's to get consistent, year-in and year-out returns from the companies in their portfolios. They need these returns because their individual shareholders do follow the old Wall Street rule—if they're not satisfied, they sell!

At the same time, people like me and others who run companies like to think of ourselves as builders. We think five and ten years ahead. We like to invest in the future. We also like to have a few shekels in the bank for hard times.

And in spite of what the public hears and reads, we do care about protecting jobs, and we are concerned about our communities, and we do understand our social obligations.

So there's some natural tension between the need to provide returns and the need to build the company.

Most of us in this room work for large corporations. We want those companies to be successful ten years from now as well as today, so we take a long view at work.

But most of us have also turned over a substantial part of our personal net worth to the managers of these funds. And what do we look at in evaluating their performance?

Returns!

So if we don't like the kind of pressure these funds put on our companies, we can't point fingers. "Them" is "us."

The power of these institutions is simply a reality that we have to deal with. And there is no doubt that they have changed the way companies are run today.

Professor John Pound of Harvard, in fact, says that big corporations are no longer "managed" they are "governed." The new owners of Corporate America are not content to hire a management team and then passively judge the results; they want a say in the plans and policies of the company as well.

Pound also believes—and I'm quoting now—that "politics will replace takeovers as the defining tool for corporate governance challenges, and the marketplace of ideas will replace the frenzied activity that dominated the financial marketplace in the 1980s."

I happen to agree with him. And frankly, I think that's healthy. Not comfortable necessarily, but probably healthy.

He's talking about "politics" with a small "P," of course. He's talking about open, public discourse on corporate issues that up to now have generally been settled in the board room. That's not a clean way to make decisions. Management would rather do it the old way. Public debate often lends itself to all the low-rent machinations of politics with the big "P"—from news media leaks, to hidden agendas, to the use of pressure groups.

So, it isn't comfortable, but I think it's a big step up from the back alley intrigues of the '80s when companies were bought or sold and broken up or consolidated without any debate at all.

Chrysler, as you all know, was caught up in a public debate like this for ten months. We came to a resolution in which everyone was a winner and nobody was a loser. And by everyone, I mean shareholder, employees, suppliers and everyone else with a stake in the company.

Communication was the key. Fortunately, we'd always maintained open communication with the institutional investors who own most of the company. We stepped it up. I personally visited a large number of them. So did other members of our management team. We did something quite unusual. We took outside board members with us. On a number of occasions, I would leave and let the board member and the fund manager talk one on one.

We had a simple story that combined solid performance over the past few years with a compelling strategy for the future.

None of our institutional owners asked us to change direction. Not one of them told us to compromise the future for the sake of today.

If there's a lesson for other companies, large and small, it's that maintaining open lines of communication with these institutional investors is no longer a courtesy, as it was a few years ago. It is now a critical part of a company's strategic planning.

Today, though, these new owners are under some scrutiny themselves. The concentration of economic power that they represent is new, and therefore it's a bit frightening. Their short-term focus is a concern. Their activism is a challenge for management.

And yet, I'm hard pressed to find many examples of these institutions acting irresponsibly toward successful, well managed companies. The list of corporations I read a few minutes ago was a list of companies that had problems. They were companies where changes needed to be made.

These large institutional investors must accept the responsibilities of ownership. I think, for the most part, they do. That includes stepping in when a company seems to have lost direction. But it also includes allowing a company to meet its responsibilities to other stakeholders besides the shareholders.

There's raging debate all over the world today about where a company's first allegiance should be, to the shareholders or the stakeholders. Is a company in business only to make money for its owners, or is it there to provide jobs? Is it right to focus on the bottom line, or are there social responsibilities that should come first? And what about the customers?

The Economist magazine last month did a long piece on this issue. They compared the recent performance of the traditional "stakeholder" economies of Japan and most of Western Europe with the "shareholder" economies of the United States and the United Kingdom.

They make a strong case that over the past 10 or 15 years the "shareholder" companies of the U.S. and U.K. have been doing a better job of taking care of "stakeholders" than the

stakeholder companies of Japan and Germany have been doing.

Companies that focus on making money become more competitive, and that in turn means more economic growth, and more jobs, and all the other results that "stakeholders" care about.

In both Japan and Germany, the false promise of lifetime employment is ending. They should have known better. A boss who can guarantee a job for life is like a doctor who promises that you'll never get sick or a preacher who promises you a place in heaven. It's too good to be true, so it isn't.

We don't have the keiretsu like the Japanese that help insulate managers. We don't have a large bank ownership of major corporations like both Japan and Germany that helps guarantee "patient" capital. All that would be illegal here. And we don't have co-determination and other social legislation like they do in Europe that sometimes gives employees as much say in major decisions as managers and owners.

Instead, we have owners who raise hell when they don't get the returns they expect. And companies have to listen. And companies change. And they provide those owners with their returns. And in the process, they usually get stronger.

Chrysler has added more than 15,000 hourly workers in the past five years. Those are not replacements, those are new jobs. We're in the process of building components in this country that we used to have to buy from Japan, because we've gotten more productive and it's cheaper to build here now.

Our goal was not to increase employment. Our goal was to get more competitive. New jobs and more security for the existing ones are simply results of being more competitive.

Chrysler is about to announce grants totaling \$5 million for the arts in Southeastern Michigan. But nowhere in our strategic planning did we say "take care of the arts." We're able to do it only because we focused on a different priority—financial success.

Chrysler, Ford and General Motors have been generous to this community for decades. We are major participants in the new Greater Downtown Partnership that is just being announced. But our real contribution has simply been staying in business. That's our role, and when we're successful, the whole community benefits.

Some people, like Senator Kennedy and Secretary Reich, wants to create the stakeholder economies of Germany and Japan here. They want to force companies to become a Big Brother. Washington has failed at it, so now let Corporate America do it. But they've discovered the allure of "stakeholder" politics at just the time it's losing its luster overseas.

The Japanese aren't building auto plants in Japan. They are closing them. They are building plants here, in America. So are the Germans—Mercedes in Alabama and BMW in South Carolina.

Has anybody else noticed that all the recent stories about ugly American corporations firing people left and right are butting up against other stories about the low unemployment rate in the country? Unemployment in Germany is almost 11 percent, and in this country it's 5.5 percent? I can pretty much guarantee you that saddling American companies with the same burdens that German companies have will get our unemployment numbers up too, if that's the idea.

America is the model for economic growth for most of the rest of the world. Some countries flirted with the Japanese model for a while, but now they've realized that it wasn't all it was cracked up to be.

Our securities markets are particularly important. There is nothing like them any-

where in the world. They are big. They are broad. They are unparalleled in their ability to raise capital.

But they are also messy. They punish inefficiency, sometime brutally. They can be capricious. They can be unfair. They can be perverse. It's almost expected these days that the markets rise on bad news and dive on good news. There is no human feeling to the markets, and sometimes no discernible evidence of human intelligence, either.

But they work. That's all they have going for them—over time, they work. And they work better than markets anywhere else.

The critics and the fear-mongers are missing an important point about those markets, by the way: They've become egalitarian. Through 401(k)s, IRAs, pension funds, and easy-to-access mutual funds, more than a third of all adult Americans are in the market.

The market used to be just for plutocrats. Today the ownership of American business is spread throughout the population.

The "new ownership" of Corporate America is rapidly becoming most of America.

That's healthy. It also helps to burst the bluster of the redistribution of wealth crowd. At least it would if more people understood that fact.

Corporate America has always had a PR problem. We haven't found a way to dress up certain economic realities so we can take them out in public. Making money is still considered tacky in some circles. Creating wealth for society doesn't carry much cache. Focusing on the bottom line is simply greed.

We haven't made the case that our end goal is not "making money," it's perpetuating ourselves so we can serve all our constituencies.

We can't even seem to cut through all the propaganda about American workers going backward. Real per capita income has risen steadily. So has median family income. Secretary Reich never uses those figures. He uses other measures which are less relevant.

And he never mentions the obvious fact that people do move up from one economic quintile to another. They don't all just stay put. They work hard, get better jobs, and make more money. Low income people become middle class, and middle class people become well-off. That's the American way, and it still happens.

There's no question, however, that some new dynamics are at work. The concentration of power within the large institutional investors is one. It's not necessarily good, and it's not necessarily bad. It's not something to resolve; it's just something else to manage.

Downsizing and layoffs are part of the price of becoming more competitive. The price for not doing it, however, is much higher in both economic and human terms.

The good part about globalization is that it allows American workers to participate more fully in the world economy. The bad part about globalization is that it forces American workers to participate more fully in the world economy.

The torrent of gloom today is mindless, however. The economy is strong. It's growing at a sustainable rate. Inflation is low and stable. Employment numbers are excellent. It looks like Mr. Greenspan is pulling off his soft landing. The stock market is going bananas.

American companies are leaner and meaner than they've been in years. American productivity is once again the envy of the world.

And American executives are not the ogres portrayed by the press in recent weeks. Big business has become an election-year straw man for those who like to pit American against American by promoting the politics of fear and envy.

There are some real problems to solve. We need to keep the economy strong, to improve our schools, to cut the budget deficit, to pay for health care, to keep Social Security solvent, and that's just the top of the list.

We need to stand together to do these things.

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There are some real problems to solve. We need to keep the economy strong, to improve our schools, to cut the budget deficit, to pay for health care, to keep Social Security solvent, and that's just the top of the list.

We need to stand together to do these things. We need to have some confidence that we, as a nation, are all moving in the same direction.

But it's a sure thing that we'll never accomplish any of these if we let a bunch of demagogues herd us down the past to class warfare.

THE AMERICA WE SEEK

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, March 22, 1996

Mr. HYDE. Mr. Speaker, there is no more troubling issue confronting Americans than that of abortion. The highly respected publication, *National Review*, March 25, 1996, has performed a signal service by publishing a very thoughtful article on this question signed by 45 of America's finest scholars, all of whom have thought long and hard about this volatile subject. I commend this article to my colleagues' careful attention.

THE AMERICA WE SEEK; A STATEMENT OF PRO-LIFE PRINCIPLE AND CONCERN

Americans are conducting the sixth presidential election campaign since the Supreme