

pride, and I, as an alumnus and fan, would like to say congratulations on a job well done.

#### TRIBUTE TO DAVID J. AUGER

##### HON. BRAD SHERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 21, 1997*

Mr. SHERMAN. Mr. Speaker, I rise today to recognize David J. Auger as the 1997 Golden Horn Award recipient. This honor is presented to those who are deeply involved in our community and supportive of the Valley Cultural Center and its efforts to bring music to Woodland Hills.

The Valley Cultural Center seeks to enlighten, educate and enrich present and future generations by providing diverse programs through the performing and visual arts. Their programs include music therapy, community concerts, music in the schools, music for seniors, and performances for children.

David's contributions to the Valley Cultural Center are endless. As the vice president and general manager of Time Warner's Northern Region of the Los Angeles Division, David has solidified a partnership between Time Warner and the Valley Cultural Center and has made Time Warner a benefactor for the center. This partnership has resulted in \$10,000 worth of financial support for the center and the development of a successful outreach program.

Today, David's main project in conjunction with the Valley Cultural Center is a video outreach program. With the use of video, David hopes to spread the benefits of music therapy to those outside of our community and around the world. His ingenuity in community involvement combined with his extensive record of service earns him this special recognition.

David's community service extends beyond the Valley Cultural Center to include the Valley Industry Commerce Association, Pacific Lodge Youth Services, Cal State University foundation, and the Los Angeles Cable Operators Association. His previous awards include the Tree of Life Award from the Jewish National fund, the Human Relations Award from the San Fernando Valley Interfaith Council and countless others which merely scratch the surface of his broad range of dedication and strength of his role in the community.

Mr. Speaker, distinguished colleagues, please join me in honoring David for his service and recognizing him as the 1997 Golden Horn Award recipient. His service dedication to our community distinguish David in our community.

#### RESTORING THE EXCLUSION FOR NON-OIL RELATED SHIPPING INCOME

##### HON. E. CLAY SHAW, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 21, 1997*

Mr. SHAW. Mr. Speaker, I am introducing legislation today to restore the exclusion of shipping income from subpart F of the Internal Revenue Code. When first enacted, subpart F did not tax the shipping income of foreign corporations owned by U.S. citizens. Shipping

companies owned by U.S. citizens were allowed to compete on terms comparable with companies owned by foreign nationals. As a result, the U.S.-owned fleet represented over 25 percent of the total world fleet. The U.S.-controlled fleet made significant contributions to the Nation's security and it promoted the development of major shipping centers in the United States. The U.S.-controlled fleet alone generated hundreds of millions of dollars in tax revenues as a result of the voluntary repatriation of earnings from the fleet and the associated infrastructure generated billions of additional dollars of taxable economic activity.

In 1975, subpart F was amended to include shipping income that was not reinvested. As a result of the tax change, the U.S.-owned fleet began to decline and the centers of international shipping in the United States began their decline in prominence. As the once significant U.S.-owned fleet was forced to expatriate to remain competitive, related industries, including insurance brokers, ship management companies, surveyors, chartering brokers, technical consultants, and many others who provide services to the maritime industry followed. Tax revenues also declined. In 1986, this mistake was compounded with the imposition of taxes on reinvested shipping income. The U.S.-owned fleet now represents less than 5 percent of the world fleet.

Our major trading partners, on the other hand, have taken a different approach. They have adopted tax policies to ensure that their international shipping is competitive in world markets. As a result, the economic leadership of the United States in this vastly important sector of the economy has been lost. We simply do not have the fleet or the infrastructure to support even a modest percentage of our own international trade. Subpart F has even contributed to the transfer foreign of the once significant U.S. flag fleet, which depends on foreign flag feeder vessels to be competitive. Recent transactions, including the agreement of Neptune Orient Lines to acquire APL, raise the troubling possibility of foreign control of the majority of the government supported U.S.-flag fleet. It makes little sense to spend scarce taxpayer dollars to support U.S.-flag shipping only to have our misguided tax policies undermine their competitive opportunities in international trade.

Restoring this exclusion also reflects sound tax policy. The United States generally does not tax U.S. shareholders on income until that income is realized, that is, the shareholders have dominion and control over the income. Subpart F of the Internal Revenue Code creates an exception to this general rule by taxing a U.S. parent corporation, or significant individual U.S. investor, on the income earned by a foreign subsidiary whether or not that income is paid to the U.S. parent, for example, in the form of dividends. Shipping income of such a U.S.-controlled foreign corporation [CFC] is subject to current taxation under subpart F, regardless of whether those earnings are distributed to its U.S. shareholders. But deferral properly remains the general rule, not the exception, under U.S. law.

There is no evidence whatsoever that the tax policy justifications for the application of subpart F—that seek to prevent the tax motivated expatriation of economic activity—apply to international shipping.

The U.S.-controlled fleet has declined from over 25 percent of the world fleet in 1975 to

less than 5 percent today. This decline has in no way benefited U.S.-flag operations or U.S. employment. There has been no offsetting increase in the investment of U.S. persons in U.S.-flag shipping operations. Thus, however viewed, the current law has been a losing proposition for all U.S. interests.

Therefore, I am introducing legislation that will restore the exclusion of shipping income from subpart F of the Internal Revenue Code. While there has been disagreement on how to restore the American-owned fleet in international shipping, this legislation represents the most up to date thinking on how to accomplish that objective. It is the result of many hours of thought and consideration, and has received broad support from important elements of the maritime industry.

Specifically, the proposed amendment to the Code would restore the exclusion for non-oil related shipping income from subpart F. This deferral is available to U.S.-controlled groups, that is, groups under common control of the same ultimate owners, that maintain a U.S.-flag fleet of 4 or more ships of 10,000 deadweight tons or 2 or more cruise ships with at least 275 berths for passengers. The U.S.-flag fleet requirement will assure that groups benefiting from deferral will maintain at least a minimum U.S. investment, thereby bolstering the U.S. economy and providing U.S. jobs. It will also apply to shipping companies that operate in the Caribbean. This will serve the policy of fostering development in the Caribbean Basin as enunciated in the Caribbean Basin Economic Recovery Act. Finally, deferral is reinstated for companies that are not engaged in the carriage of the commerce of the United States. There is no conceivable justification for imposing U.S. taxes on the income of these foreign shipping companies controlled by U.S. citizens.

To further make available funds for expansion of a U.S.-flag fleet, the proposed amendment permits a controlled foreign corporation to loan funds for acquisition, construction, or reconstruction of a U.S.-flag vessel without triggering U.S. taxation of the funds. Further, the proposed amendment exempts in certain cases interest paid or accrued on the loan from U.S. withholding taxes to further foster investment in, and promote the competitiveness of, the subsidized U.S.-flag fleet. Ultimately, the success of that fleet will depend on policies that will help make U.S. flag operators more competitive. This proposal would do just that.

It was unfortunate that this legislation could not have been included in this year's tax reconciliation bill. Nevertheless, I urge my fellow members to support this proposal, which represents the current state of development of restoring America's presence in international shipping. I intend to include it in appropriate legislation at the earliest possible time.

#### TRIBUTE IN MEMORY OF VERALYNE HAMILTON

##### HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 21, 1997*

Mr. SERRANO. Mr. Speaker, I rise today to pay tribute to the memory of Veralyne Hamilton, a remarkable woman whose lifelong commitment to her family, friends and the Bronx

contributed to the nourishment and strengthening of our community. Her memory was honored on October 17 for her outstanding contributions to the communities at the Eighth Annual Salute to Excellence Awards Dinner hosted by the 163d Street Improvement Council, Inc. in New York.

Years of experience, dedication, and hard work led to her 1984 appointment as director of Community Boards and Affairs in the administration of Bronx Borough President Fernando Ferrer, the position she held at the time of her passing last year.

Previously, Ms. Hamilton served as the second vice chairperson for the Bronx Model Cities Program Committee from 1968 to 1972. She assisted in the development of proposals in physical development, education, multi-services, safety and sanitation for the Bronx. Her involvement in the Model Cities Program inspired and motivated her to pursue a career in urban planning.

Besides her service for the Model Cities Program, Ms. Hamilton was a member of Community Board #3 which includes the Morrisania community. She served as chairperson of the board and went on to become its district manager.

From 1973 to 1981, Ms. Hamilton was director of Labor Sherman Daycare in the Bronx. The center serves 235 children in daycare and after-school programs. She stressed the need to provide educational and housing workshops to parents and their children at the center. Many parents who initially were welfare recipients had enrolled in college by the time their children graduated from the daycare center.

Ms. Hamilton was born in 1934 in Norfolk, VA. She relocated to the Bronx in 1958 and attended Hunter College where she earned a bachelor's degree and a master's degree in urban planning.

She married Winston Hamilton and had four daughters, Pamela, Winifred and twins Joan and Joy. She had four grandchildren Malik, Yusef, Shani and Ziad. Ms. Hamilton left a legacy of courage, faith, hope, responsibility, love, and commitment to her family and community.

Mr. Speaker, I ask my colleagues to join me in paying homage to the life of Veralyne Hamilton, who still remains with us through the many people she served and touched.

#### CONCERNS REMAIN OVER CASSINI

##### HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 21, 1997

Mr. FARR of California. Mr. Speaker, in the weeks prior to the launch of the Cassini spacecraft, I heard from many of my constituents who were greatly concerned about the use of plutonium in Cassini and its potential hazard.

I wrote to President Clinton before the launch, urging him to review the safety of the mission and address the concerns of Americans worried about the possibility of exposure to plutonium. I was greatly disappointed that he chose not to do so before Cassini was launched.

Thankfully, Cassini was launched without incident. But there are still important concerns

about the use of nuclear power in space that need to be addressed. Furthermore, Cassini's trajectory will take it close to earth, and many are worried that this poses an additional threat of nuclear contamination.

I have been asked to submit a resolution, adopted by the City of Monterey on October 7, in opposition to the Cassini mission. It represents the concerns of many of my constituents, and raises important questions about the Cassini mission. Therefore, I ask unanimous consent that this resolution be placed in the CONGRESSIONAL RECORD.

#### CITY OF MONTEREY, CALIFORNIA

##### Resolution No. 97-185

Resolution of the City Council of the City of Monterey calling for the cancellation of the planned National Aeronautics and Space Agency [NASA] Cassini Space Probe launch and communicating the council's position to President Clinton and our congressional Representatives.

Whereas, as elected officials of the City of Monterey dedicated to the safety and protection of the public, we call for cancellation of the launch of the Cassini Space Probe which plans to carry 72.3 pounds of Plutonium-238 into space; and

Whereas, NASA's environmental impact statement outlines several scenarios in which Plutonium might be released including an explosion of the Titan IV rocket, which is to loft the Cassini Space Probe into orbit, or an explosion of a small rocket, a Centaur, which is to propel the Probe on to Saturn; and

Whereas, presently NASA's environmental impact statement warns that "approximately five billion of the estimated seven to eight billion world population could receive ninety-nine percent or more of the radiation" if an inadvertent reentry occurred; and

Whereas, scientists and medical experts indicate that the "number of cancer doses are so high as to make calculations extraneous" and that the speed at which the Cassini Space Probe would hit the Earth's atmosphere would completely disintegrate the Probe and release all the Plutonium; and

Whereas, there is no medical disaster plan in place that could be adequate in case of a Cassini Space Probe accident; and

Whereas, worldwide fallout would contaminate much of the globe for generations and severely damage all living things; and

Whereas, there is no need to use deadly Plutonium at all due to a breakthrough in the development of new high-performance solar silicon cells for use in the future for demanding deep space missions. Now, therefore, be it

Resolved, That the City Council of the City of Monterey calls on the President and the Congress immediately to stop NASA from launching the Cassini Space Probe.

#### PERSONAL EXPLANATION

##### HON. RON LEWIS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 21, 1997

Mr. LEWIS of Kentucky. Mr. Speaker, due to the serious illness of my sister and her passing on October 10, I was unable to be in Washington, DC from October 7, through October 9. I would appreciate having the record reflect that I would have cast the following votes, had I been present:

H.R. 1122: PARTIAL BIRTH ABORTION—YES ON VOTES 499 AND 500

Over the years I have been a strong supporter of the unborn and consistently cast my vote in favor of pro-life issues. This is an issue that I feel very strongly about. I voted in favor of H.R. 1122 earlier this year, and during the 104th Congress. Had I been present, I would have again voted yes on H.R. 1122 to end the horrific practice of partial birth abortion.

H.R. 901: AMERICAN LAND SOVEREIGNTY PROTECTION ACT—NO ON VOTES 498, 501, 502, 503 AND YES ON 504

As a cosponsor of H.R. 901, I strongly support this measure which would ensure congressional approval is given before any U.S. land is designated as a World Heritage Site, a Biosphere Reserve, or is given any other U.N. designation. Had I been present, I would have opposed any weakening amendments and voted for final passage of this important legislation.

H.R. 2158: VA, HUD APPROPRIATIONS ACT CONFERENCE REPORT—YES ON 505

I supported this measure when it was passed by the House, earlier this year. This final version continues to increase support for veterans programs while controlling spending in other areas as agreed to in the Balance Budget Act.

MOTION TO INSTRUCT ON H.R. 2169—YES ON 506

I would have supported this motion to instruct the conferees on the State Department Reauthorization Act to prohibit the use of any Federal funding by private organizations that promote abortion. Once again, I would have voted yes to protect the unborn and prevent any efforts to promote abortions worldwide.

H.R. 2169: TRANSPORTATION APPROPRIATIONS ACT—YES ON 507 AND 510

While I support efforts for long-term improvements to the surface transportation funding system, I was pleased that this bill increases spending for infrastructure necessities next year, and would have voted yes.

APPROVAL OF THE JOURNAL—YES ON 509

H.R. 2607: DISTRICT OF COLUMBIA APPROPRIATIONS ACT—NO ON 511, 512 AND YES ON 508, 513, AND 514

I would have supported this measure because it includes important, necessary changes to the education system in the District of Columbia, such as the implementation of voucher programs for students. I would have voted against efforts to prevent the voucher program from moving forward. Had I been present, I would have also opposed the Vento amendment that in my view, would delay repair work at dilapidated District schools.

#### IMMIGRANT ADOPTIVE CHILDREN IMMUNIZATION

##### HON. BILL McCOLLUM

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 21, 1997

Mr. McCOLLUM. Mr. Speaker, I would like to commend Chairman LAMAR SMITH for committing his time and effort to swift passage of H.R. 2464. Chairman SMITH played a vital role in responding to the concerns of adoptive parents and moving H.R. 2464 through the committee process. I would also like to thank my colleague, Rep. DELAHUNT, for his active interest in this issue and for his support of this legislation.