In order to achieve this goal, I am, together with my colleague Congressman HAMILTON from Indiana, today introducing legislation that would provide a framework for consideration of unilateral trade sanctions by the legislative and executive branches. The bill would not prohibit the imposition of trade sanctions, but it would establish a more deliberative and disciplined approach to U.S. sanctions policy.

Specifically, the bill would establish consultations between Congress and the executive branch as well as consideration of alternatives to the use of sanctions. In addition, the bill would ensure that Congress and the administration have adequate information about the likely effectiveness and economic and humanitarian costs of a proposed sanction. The bill would provide for a detailed analysis of whether the proposed sanction is the best tool for achieving U.S. objectives. Finally, the bill would impose regular reporting and sunset establishments. I believe that such a framework would allow us to pause and examine the impact that sanctions would have before we rush into what may be a counterproductive effort.

CUT RED TAPE ON EDUCATION

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 23, 1997

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, about the importance of education, Thomas Jefferson said, ''Enlighten the people generally, and tyranny and oppression of body and mind will vanish like evil spirits at the dawn of day.''

There is no more critical issue in Northern Colorado than education. The strength of our community and the republic rely squarely upon the mature and cultural literacy of the citizenry.

Jefferson observed, ''Every government degenerates when trusted to the rulers of the people alone. The people themselves therefore are its safe depositories. And to render even them safe, their minds must be improved to a certain degree.''

My years of work on the state Senate Education Committee and my current position in the U.S. Congress on the House Committee on Education have persuaded me to stick to the vision of the school children as the first priority, and parents as the most essential partners in education reform.

However, volunteering for several years on parent boards at my children's elementary schools in Fort Collins has persuaded me that the best policies established for children are devised at the most local level involving real parents.

But our local traditions of parental involvement, unfortunately, are constantly under attack in Washington by those who favor a stronger federal presence in our classrooms. The track record is clear. As more education authority is usurped by the federal government, and stripped from local professionals, there has been a corresponding decline in national, education performance.

In Colorado, education leaders often feel hamstrung to fully address some alarming trends. About one-quarter of Colorado high school students will drop out before they graduate. The average high school dropout costs society an estimated $563,000 over his lifetime in public subsidies and income support.

A total of 68,135 suspensions occurred in the 1994–95 school year, involving 47,072 elementary and secondary students in Colorado. The Colorado graduation rate for the class of 1995 decreased 1.4 percentage points from the 1994 graduation rate. Statewide, 40 percent of Hispanic students scheduled to graduate in 1996 did not.

In spite of mammoth growth in the federal education bureaucracy's budget, Washington's agents have produced little in the way of positive results. Consequently, my colleagues and I have moved forward with plans to empower local communities by cutting the red tape and administrative costs associated with large federal programs. For example, we've repealed 87 outdated federal programs over the last two years and consolidated 26 more into four, giving states broader latitude to target funding where they know it's most needed.

We've successfully beaten back the U.S. Department of Education's attempt to take over independent national testing, and we've resisted the federalization of curriculum by transferring hundreds of millions of dollars away from centralized programs toward at-risk kids, vocational education and the disabled.

Our objective in Washington must be to continue shrinking the federal administrative bureaucracy and liberating classrooms, to unleash states and communities and honor our traditions of local, parental authority.

By focusing on the liberty to learn and the freedom to teach, a less intrusive federal government can inspire local communities to pursue their inclinations toward promising, bottom-up innovations, like school choice, charter schools, post-secondary enrollment options and other alternatives, in addition to conventional approaches. Together we can create an education marketplace improving opportunity equally for all students by once again treating teachers like real professionals, and parents like real customers, realizing Jefferson's vision ''at the dawn of the day.''

REWARDING PERFORMANCE IN COMPENSATION ACT

HON. CASS BALLENGER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 23, 1997

Mr. BALLENGER. Mr. Speaker, today I am introducing legislation which will continue our efforts to make the Fair Labor Standards Act [FLSA] applicable to today's work force. Presently, the FLSA requires that certain payments to a nonexempt employee—such as commissions, gain sharing, incentive, and performance contingent bonuses—must be included in the employee's regular hourly rate of pay for the purposes of calculating overtime pay. Oftentimes, this discourages employers from monetarily rewarding their employees for good performance. This legislation will remove the barriers within the FLSA which, in effect, prevent employers from providing bonuses to hourly paid employees.

It is becoming more common for companies to link pay to performance as they look for innovative ways to encourage employee performance and allow employees to share in the company's success. More employers are awarding one-time payments to individual employees or to groups of employees in addition to regular wage increases. Employers have found that rewarding employees for high-quality work improves their performance and the ability of the company to compete. Unfortunately, many employers who choose to operate such pay systems can be burdened with unpredictable and complex overtime liabilities.

Under current law, an employer who wants to give an employee a bonus based on production, performance, or other factors, must divide the payment by the number of hours worked by the employee during the pay period that the bonus is meant to cover and add this amount to the employee's regular hourly rate of pay. This adjusted hourly rate must then be used to calculate time-and-a-half overtime pay for the pay period. On the other hand, employers can easily provide additional compensation to executive, administrative, or professional employees who are exempt under the FLSA without having to recalculate rates of pay.

Many employers who provide discretionary bonuses do not realize that these payments should be incorporated into overtime pay. One company ran afoul of the FLSA when they gave their employees bonuses based on each employee's contribution to the company's success. The bonus program distributed over $300,000 to 400 employees. The amount of each employee's bonus was based on his or her attendance record, the amount of overtime worked, and the quality and quantity of work produced.

When the company was targeted for an audit, the Department of Labor cited it for not including the bonuses in the employees' regular rate for the purpose of calculating each employee's overtime pay rate. Consequently, the company was required to pay over $12,000 in back overtime pay to their employees. The company thought it was being a good employer by enabling its employees to reap the profits of the company and by paying wages that were far above the minimum. Instead it was penalized by the Department of Labor for letting its employees share in its success. Meanwhile, President Clinton was exhorting businesses to work in partnership with employees, by sharing the benefits when times are good.

This legislation will eliminate the confusion regarding the definition of regular rate and remove disincentives in the FLSA to rewarding employee productivity. The definition of regular rate should have the meaning that employers and employees expect it to mean—the hourly rate or salary that is agreed upon between the employer and the employee. Thus, employers will know that they can provide additional rewards and incentives to their nonexempt employees without having to fear being penalized by the Department of Labor regulators for being too generous.

IRAN MISSILE PROLIFERATION SANCTIONS ACT, H.R. 2709

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 23, 1997

Mr. GILMAN. Mr. Speaker, along with a number of my colleagues, I am today introducing the Iran Missile Proliferation Sanctions Act

of 1997. This legislation provides for tougher sanctions on organizations, particularly in Russia, that have transferred missile hardware or technology to Iran.

It requires the President to submit a report to Congress identifying organizations which have transferred missile hardware or technology to Iran after August 8, 1995, when Russia joined the international Missile Technology Control Regime [MTCR].

Those firms identified in the report would be subject to 2-year sanctions that include a ban on certain types of export licenses and a ban on any U.S. assistance, although the President would have authority to waive the sanctions under certain circumstances.

One of our most important national security objectives is to prevent Iran from obtaining, and in some cases improving, their capability to develop and deploy weapons of mass destruction. Most critical in the short term is the prospect of Iran enhancing its ballistic missile capability.

It is clear that Russia has already provided Iran with critical know-how and technological support. The question now facing us is whether we can halt any further assistance, and time is short. We have only a few months to prevent Iran from achieving a significant advance in its missile program.

There is more than credible information that Russian organizations have been allowed to assist Iran in this area in violation of Russia's international obligations under the Missile Technology Control Regime. Amazingly, however, despite such assistance the administration has not applied United States missile sanctions laws to these Russian organizations.

The purpose of our legislation to require the administration to face up to the dangers that we face as Iran strives to develop weapons of mass destruction, and to take appropriate action.

TRIBUTE TO SHYAMALA B. COWSIK

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 23, 1997

Mr. LANTOS. Mr. Speaker, relations between the United States Congress and the Government of India have been improving steadily in the past 2 years. One of the major reasons for this improvement has been the excellent work of Shyamala B. Cowsik, the Deputy Chief of Mission at the Embassy of India here in Washington. During her current posting, Ambassador Cowsik has worked tirelessly with Members of Congress and congressional staff to explain India's important economic reforms, its secular democratic government, and its large consuming class. In doing so, she has helped to create a climate in which an ever growing number of the Members of this body have come to realize the importance of a strong India-United States relationship.

Mr. Speaker, Shyamala Cowsik is an Indian Foreign Service Officer. Prior to being the Deputy Chief of Mission in Washington, she served as India's Ambassador to the Philippines. Earlier she held important postings in Thailand and Yugoslavia. Having now completed her term in the United States, Ambassador Cowsik is leaving at the end of the month to become India's Ambassador to Cyprus. I know my colleagues join me in wishing her success in this position as well as congratulations on a job well done here in Washington.

INTRODUCTION OF LEGISLATION TO INCREASE THE CAPITAL EXPENDITURE FOR TAX-EXEMPT INDUSTRIAL DEVELOPMENT BONDS

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 23, 1997

Mr. NEAL of Massachusetts. Mr. Speaker, today Congressmen HOUGHTON, ENGLISH, and I are introducing legislation which would have a positive impact on small manufacturers. This legislation would increase the capital expenditure limitation for tax-exempt industrial development bonds [IDBs] from $10 to $20 million.

Under current law, the issuance of tax-exempt industrial development bonds for qualified purposes is limited to $10 million. This limitation was set in 1978 and it needs to be increased to account for inflation. The $10 million limit in capital expenditure limits restricts the use of IDB's to provide businesses with affordable capital as part of local economic programs.

Increasing the cap to $20 million would allow many small businesses to grow. This legislation would allow a larger number of small manufacturers in Massachusetts to use low cost, tax-exempt financing to expand their operations and add jobs.

I urge my colleagues to show their support for small manufacturers by cosponsoring this legislation. Increasing the level of tax-exempt financing will result in capital expenditures that will create job growth.