

program. This provision is necessary because in the past 3 years OSHA has significantly increased its Federal compliance assistance budget, but without a corresponding increase in the consultation program. While I support additional funding for compliance assistance, I believe the funding should be directed to State consultation programs. The State grants were created because of the concern that Federal OSHA would not effectively administer a consultation program or maintain separation from enforcement. I believe that those concerns are still very relevant.

Mr. Speaker, codification and implementation of an OSHA consultation program was one of the recommendations of the 1995 White House Conference on Small Business. The Clinton administration has also supported codification of an OSHA consultation program in the past, and I look forward to their support for this legislation, and hope that we will with bipartisan support finally establish consultation as an important function and activity in terms of the Federal Government's support for improved safety and health in the workplace.

TRIBUTE TO KENNETH C. BANKS,
JR.

HON. BRAD SHERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1997

Mr. SHERMAN. Mr. Speaker, I rise before you today to pay tribute to Kenneth C. Banks, Jr., who has been nominated for the prestigious Fernando Award for outstanding volunteerism.

President Kennedy once said, "For of those to whom much is given, much is required. And when at some future date the high court sits in judgment of each of us, recording whether in our brief span of service we fulfilled our responsibilities to the state, our success or failure, in whatever office we hold, will be measured by the answers to four questions: First, were we truly men of courage . . . Second, were we truly men of judgment . . . Third, were we truly men of integrity . . . Finally, were we truly men of dedication." The Fernando Award was created to honor individuals who have exemplified leadership, volunteerism and dedication, and is recognized as the leading award for civic accomplishment in the San Fernando Valley. Each year, the Chambers of Commerce in the San Fernando Valley and other community organizations and leaders nominate candidates they feel demonstrate these characteristics. Ken Banks is a worthy candidate for this award.

Ken has taken an active role in the community, with his involvement in several different organizations and his leadership role in various projects. As a member of the Rotary Club for several years, Ken was named president in 1988. During his term the organization was named the best club in District 5260. He heads up valuable programs within the community, including the creation and distribution of vocational scholarships, Guiding Eyes support for the Police Activity League, and other fundraising activities. Ken used his skills to raise more than \$25,000 for North Hollywood area charities.

In addition, Ken helped spearhead the NoHo Arts District Concept, providing a unify-

ing force and identify for North Hollywood as the center for San Fernando Valley Theater and Arts. This is just one more example of Ken's ability to inspire individuals to work together to improve our community.

Ken's leadership and commitment to our community have been recognized by several organizations. He has been named Person of the Year by the East Valley Family YMCA, received the Small Business of the Year Award from Assemblyman Richard Katz, and was honored as the Business Person of the Year by the Universal North Hollywood Chamber of Commerce. Ken is also a finalist for the 39th Annual Fernando Award, an honor which distinguishes him as one of the most motivated, generous leaders in our community.

Mr. Speaker, distinguished colleagues, please join me in paying tribute to Kenneth Banks. He is truly a role model for the citizens of Los Angeles.

THE SMALL BUSINESS INVESTMENT AND GROWTH ACT

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1997

Mr. CRANE. Mr. Speaker, I rise to introduce the Small Business Investment and Growth Act which will provide much-needed tax relief to small business in America.

As a member of the Ways and Means Committee, I strenuously objected to the tax increases of 1990 and 1993, knowing of the severe negative economic impact these taxes would have on American small businesses and their employees. I realize that, in macro-economic terms, the U.S. economy is quite strong in spite of those tax increases—however, we could do much better. Americans are facing record-high tax burdens. Every year, taxpayers are working more days for Washington and its bureaucrats and fewer days for themselves and their families. For small businesses, the greatest creators of jobs and economic growth in America, high tax rates have hampered their ability to sustain high rates of growth and prosperity.

To understand how small businesses are struggling with taxes, allow me to explain the consequences of the 1990 and 1993 attempts to get the wealthy in America to pay their fair share of the Federal tax burden. With those tax increases, the maximum marginal tax rate for individuals was raised from 28 percent to 39.6 percent. However, what was lost on these "soak the rich" policy wonks is that small businesses owners pay their business taxes as individuals. In other words, a typical struggling small business owner will pay himself a salary, pay his employees and all his other business expenses, and then pay taxes on the combination of his salary and the profits of the business. In the case of S corporations, the shareholders of the company, typically family members who work for the business, each pay the taxes for the business at their individual tax rates.

Now keep in mind that the highest marginal individual tax rates are 36 percent, while the corporate tax rate for similar-sized businesses is 34 percent. The maximum corporate tax rate is 35 percent. So, thanks to the "soak the rich" tax policies, small businesses pay higher

tax rates than better financed corporations. In fact, a Joint Economic Committee report found that President Clinton's 1993 tax hike fell disproportionately on small businesses, not the wealthy. And in surveys of S corporations since their shareholders' tax rates increased, they report that they cannot reinvest as much money into their companies as they did before the tax hike. Reinvesting translates into more jobs. In fact, successful American small businesses have been able to create three to four new jobs for every additional \$100,000 they retain in the business.

The Small Business Investment and Growth Act proposes to end this government-created inequity. My bill has simple goals—to promote S corporation reinvestment, to generate economic growth—i.e., jobs—and to provide for tax rate reductions for all S corporation owners, including qualified personal service corporations.

To accomplish these goals, the bill will lower the Federal tax rates paid by S corporation shareholders to no more than 34 percent when the S corporation reinvests its earnings in the business, or when the earnings are distributed to the shareholders for the purposes of making tax payments. This lower tax rate would be applicable only to the first \$5 million in taxable income of the S corporation.

This bill is a similar, but expanded, version of a bill I introduced in the last Congress. Although this latest version will provide tax relief to more S corporations, I want to make it clear that I would prefer to provide tax relief to all businesses. In fact, I see these taxes as just another cost of doing business which is passed along to the individual consumer/taxpayer. Thus, it is a secondary tax which should be eliminated.

This legislation takes an important first step toward reducing burdensome taxes on small business and encouraging S corporation owners and managers to reinvest income into their business, thereby creating more jobs and expanding economic growth. I strongly encourage my colleagues to cosponsor it.

PLANNED SMITHSONIAN INSTITUTION EXHIBIT ON SWEATSHOPS IS UNDER ATTACK BY THE APPAREL INDUSTRY

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1997

Mr. LANTOS. Mr. Speaker, I rise today to express my strong support for the Smithsonian Institution's planned exhibit on the history of sweatshops in America—"Between a Rock and a Hard Place: A Dialogue on American Sweatshops, 1820–Present." The exhibit is scheduled to open at the Smithsonian here in Washington in April 1998. Unfortunately, however, the U.S. apparel industry is seeking to prevent the display of this exhibit on the grounds that the exhibit will not present a balanced picture of the garment industry. Rather than letting an objective exhibit of historical and contemporary significance go forward, the California Fashion Association, which represents major clothing manufacturers in southern California, has vowed to turn the exhibit into a political football and prevent its display.

Mr. Speaker, it is no surprise that clothing manufacturers are opposed to this exhibit. It is

also no surprise that the leaders of the opposition to this exhibit are from southern California—notorious for the El Monte apparel sweatshop in which some 70 Thai workers lived under slave-like conditions until the horror was discovered and the brutality was terminated. This, Mr. Speaker, was not a century ago—this was just 2 years ago in my home State.

Make no mistake about it, Mr. Speaker, the garment industry's fear is not that the American people will view the history of sweatshops in the 19th century but that they will view conditions in sweatshops operating today—in 1997.

Sweatshops are in violation of our Nation's overtime, minimum-wage, and safety laws. Sweatshop operations are often underground and disguised, and monetary transactions in connection with these activities are usually done in cash. For these reasons, it is difficult to get a precise idea of how prevalent sweatshops really are. Some specialists have estimated that there are as many as 7,000 sweatshops across the United States.

Sweatshops are often outside the law in other ways, not only evading wage and hour laws, but also avoiding the payment of Federal, State, and local taxes. Violation of local building codes is common, including such serious safety problems as blocked fire exits or no fire exits at all. The operators of these sweatshops seek out and exploit undocumented immigrants. Let me make one thing clear, Mr. Speaker, immigrants are not the cause of sweatshops, they are the victims of the operators of such vicious practices.

Mr. Speaker, I ask that at this point, an excellent editorial—"Save the Sweatshops"—which appeared in the San Francisco Chronicle be placed in the RECORD.

[From the San Francisco Chronicle, Sept. 23, 1997]

SAVE THE SWEATSHOPS

To its lasting credit, the Smithsonian Institution is planning a hardedged exhibit on sweatshops, an historical look at rapacity and exploitation that is still in our midst. One poignant feature has raised the ire of the apparel industry: a depiction of the El Monte factory raided in 1995 where some 70 Thai immigrants lived in peonage while cranking out clothing.

The exhibit, prepared in part with the help of California state labor authorities, will borrow equipment seized in the raid in order to re-create the dungeon-like sewing shop. Is the factory typical of clothing factories? Obviously not. But it should provoke thought about immigrants, their hunger for work and the role of a vigilant government.

The exhibit, which is due to open next April, will trace sweatshops from early last century to the present. By its very title, it deals with an unsavory back alley of American working life. Along with El Monte, it will highlight the epochal Triangle Shirtwaist fire in Manhattan that killed 146 women trapped in a sweatshop in 1911. Such episodes aren't pretty, but brushing them away, as industry publicists would like, would be a mistake.

These critics may be counting on the Smithsonian to cave in. Several years ago it wanted to mount an exhibit that showed the Japanese death toll from two American atomic bombs that ended World War II. Veterans groups objected saying the decision to drop the bombs was not fairly explained, and the museum eventually recast the exhibit in tamer form. That debate had its own ingredients, and it would be a mistake to compare it to the El Monte dispute.

The Smithsonian, which serves as a curator of American life, cannot survive such challenges and serve its mission well. Critics who want to sanitize controversy deny everyone a chance to experience history.

Mr. Speaker, I further ask that two Letters to the Editor which appeared in the Los Angeles Times also be placed in the RECORD. The letters appeared in the newspaper after it published news stories about the controversy over the sweatshop exhibit in September of this year. The first letter is from I. Michael Heyman, the Secretary of the Smithsonian Institution, and the second is from Evan Smyth of Los Angeles:

LETTER OF I. MICHAEL HEYMAN, SECRETARY, SMITHSONIAN INSTITUTION

The Smithsonian Institution is an educational institution that strives to make American history accessible, useful and meaningful to the millions who view our exhibitions, read our catalogues and participate in our public programs. It occasionally presents difficult, unpleasant, or controversial historical episodes, not out of any desire to embarrass, to be unpatriotic, or to cause pain, but out of a responsibility to convey a fuller, more inclusive history. By examining historical incidents ripe with complexities and ambiguities, we hope to stimulate greater understanding and appreciation for the historical forces and choices that shaped America. Ultimately, the Smithsonian Institution mounts these kinds of exhibitions because we have confidence in the American public's desire for candor and appreciation for important historical stories.

The exhibition, "Between a Rock and a Hard Place: A Dialogue on American Sweatshops, 1920-Present," scheduled to open April 15, 1998, will be a balanced presentation, both in the historical material it presents and the outside views and participation it will include. We have sought to include the voices of participants on all sides of this issue. Our exhibition will be strong in scholarship, but equally it will be sensitive to participants' concerns. We will continue to reach out to all interested parties, including the manufacturing, apparel and retail sectors, to ensure a fair and balanced presentation.

LETTER OF EVAN SMYTH OF LOS ANGELES

The apparel industry trade groups claim that their position could not be heard in an exhibit like the one proposed for the Smithsonian. Perhaps they are right, but I would be very interested to hear their position on sweatshops in light of the following facts:

The slave conditions at El Monte are a matter of public record.

One of the largest garment manufacturers in Southern California, Guess, Inc., is currently scrambling to defend itself against charges in a class-action lawsuit that minimum wage and overtime violations are rampant in their contractors' sweatshops. Guess, Inc., has been removed from a Department of Labor trendsetters list because of recidivism in its 'fight' against wage-and-hour violations. Sweatshop conditions appear to be the cornerstone of the apparel industry rather than "a few bad apples."

LIBERTY COMMON SCHOOL

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1997

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, on September 2, 1997, in Fort Col-

lins, CO, the Liberty Common School, opened its doors for the first time. The school's headmaster, Dr. Kathryn A. Knox greeted 393 children and their parents in the yard of the newly renovated facility at 1725 Sharp Point Drive. For me it was greatly inspiring to be there that first day. As a Member of Congress, and a parent of three children in public school, I can tell you that it was truly exciting to observe such enthusiasm about the first day, and grand opening of a brandnew public school.

Liberty Common School is a charter school. It is one of 23 charter schools in Colorado, and the first in Larimer County in northern Colorado. Colorado was the third State to enact a statute creating charter schools. The late State representative, John Irwin of Loveland, CO, first proposed the idea, but did not live to see his dream for Colorado children become a reality. Today, there are tens of thousands of Colorado schoolchildren who enjoy brighter futures because of Representative Irwin's vision and bold leadership.

The founding of Liberty Common School was a heroic effort in and of itself. Owing its establishment to the determination of Dr. Randy Everett and Ruth Ann Everett, Liberty Common School began as an idea conceived in the Everetts living room. There a small group of educators, community leaders, and parents convened a discussion of public school reform possibilities in Fort Collins. The Everetts led those early discussions and formulated a bold plan which they championed through to the establishment of Liberty Common School. It is due chiefly to the Everetts vision and passion for equitable, high quality public schooling in Fort Collins that Liberty Common School exists today. Quite clearly, their devotion to the community at large and to the concept of education excellence, has touched the lives of not only the Liberty Common students of today, but for generations to come.

Of course Randy and Ruth Ann Everett were not alone. Led by Phil Christ, chairman of Liberty Common's first governing board of directors, and entire legion of parents and community leaders joined the Everetts in seeing their vision to fruition. The band of volunteers convened countless evening meetings, met with school district officers, moderated public forums, and petitioned the Colorado State Board of Education before winning approval for Liberty Common's charter.

Mr. Speaker, on September 2, 1997, the eager children left the schoolyard, found their new classrooms, and became acquainted with their new teachers. These educators met the full definition of professionals. From across America, Liberty Common drew upon the best talent in the education field to assemble its faculty. Because of the liberties created by Colorado's charter legislation, Liberty Common School is able to treat its teachers like the real professionals they are. Each hired at will, each considered according to merit, the professional educators at Liberty Common began to engage their skills, their craft, and their passion for teaching, in an intellectual exchange with their new students.

Sharon Jones was the first kindergarten teacher. Other teachers include Glynis Tidwell, and Christy Coufal in the first grade; Gretchen Jeffers, Victoria Palmer, second grade; Beth Helmers and Cherie Pederson, third grade; Jeffrey Seiner and Linda Dunn, fourth grade; Constance Behr, fifth grade and history;