

the sacrifices veterans have made for the United States.

On March 13, 1947, the Department of Pennsylvania, Veterans of Foreign Wars approved the charter submitted to it, and the VFW Post 8896 officially existed. The men who were a part of this organization were strong and self-reliant; they raised funds and worked themselves to build a suitable place for meetings. The men who constructed this structure did so in their spare time, often after a long day of work. Many times they labored well into the night to complete the structure.

Post 8896 quickly became an important part of the community in East Berlin, PA. Throughout the past 50 years, its members have been actively involved in making their town a better place to live. Both they and the man that the post honors serve as reminders for the community at large: One for making the supreme sacrifice for his country during war, and the others for their service to the United States, and the values it holds important.

Mr. Speaker, I ask that my colleagues join me today in recognition of VFW Post 8896's anniversary. I am proud to say that I am a member of this post. I salute my fellow veterans for 50 years of service, and wish them at least another 50.

#### HONORING ASSISTANCE LEAGUE OF THE EASTSIDE

HON. JENNIFER DUNN

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 12, 1997*

Ms. DUNN of Washington. Mr. Speaker, I ask my colleagues to join me today in commemorating the chartering of Assistance League of the Eastside [ALE] in Redmond, WA, as the 98th chapter of the National Assistance League. For 8 years Assistance League of the Eastside has existed to develop and carry out philanthropic projects to meet the needs of the greater eastside community. This all-volunteer, nonprofit organization has made a difference in the lives of literally thousands of needy citizens with programs that are tailored to meet real-world emergencies. For example, Operation School Bell has provided more than 1,000 at-risk children with new clothing, school supplies, and hygiene items. Victims of rape and assault have benefited from the Assistance League's dissemination of assault survivor kits, a program that provides sweat suits and personal care items to those seeking refuge from an aggressor. And the ALE's caring and sharing program has brightened the lives of senior citizens at the Emerald Heights assisted living facility in Redmond by providing birthday and holiday parties for the residents. ALE, through the efforts of its 65 very active and good-hearted members, is making a difference in ways that go far beyond the capabilities of government programs because the volunteers are impelled by compassion for their fellow eastsiders. That spirit deserves not only recognition, but commendation and celebration. America needs more people like the citizens who devote their spare time to the many good projects of Assistance League of the Eastside.

Therefore it is fitting that today, as ALE gains chapterhood status with the National Assistance League based on compliance with

that organization's bylaws, policies, and standards, I am proud to draw the attention of the House of the great work of this organization. And I am honored to join Redmond Mayor Rosemarie Ives in setting aside March 12, 1997, as a day to honor Assistance League of the Eastside. I join Mayor Ives in urging all citizens of Washington State to recognize this all-volunteer organization and encourage its continued philanthropic work benefiting our eastside community.

#### TRIBUTE TO MUSIC EDUCATION IN WASHINGTON STATE

HON. ADAM SMITH

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 12, 1997*

Mr. SMITH of Washington. Mr. Speaker, it gives me great pleasure to pay tribute to the students and teachers of Washington State for their accomplishments in the area of music education in our State. Research shows that music is an important tool for building a more creative and intelligent populace and music study helps students to perform better in academic and social settings. March is Music in Our Schools Month and an appropriate time to pay tribute to the students, parents, and teachers in our State who work diligently throughout the year to call attention to the importance of music education in our schools.

I would like to pay a special tribute to Grass Lake Elementary School in Kent, WA, for their contribution to the Music Educator's 13th Annual World's Largest Concert which will be shown nationwide. The hard work and dedication of the individuals involved with this project deserve recognition for their important efforts for bringing attention to music education in our community.

#### PERSONAL EXPLANATION

HON. TED STRICKLAND

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 12, 1997*

Mr. STRICKLAND. Mr. Speaker, as you all are aware, over the past week, the Midwest has experienced devastating flood waters. Because of these floods, major portions of the Sixth Congressional District of Ohio have been declared a Federal disaster area. To help the people back home, I remained in the district last week and therefore missed the following votes:

Wednesday, March 5, 1997: Had I been present, I would have voted: "yea" on Rollcall Vote 29, House Concurrent Resolution 17, the Guatemalan Peace Process; "yea" on Rollcall Vote 30, House Concurrent Resolution 18, the Nicaraguan Democratic Elections; and "nay" on Rollcall Vote 31, House Concurrent Resolution 31, Display of the Ten Commandments.

Thursday, March 6, 1997: "yea" on Rollcall Vote 32, Motion to Adjourn; "yea" on Rollcall Vote 33, the Journal; "yea" on Rollcall Vote 34, Washington, DC, City Council Contract Reform; and "yea" on Rollcall Vote 35, Motion to Adjourn.

#### IN RECOGNITION OF THE LA PORTE EDUCATION FOUNDATION

HON. KEN BENTSEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 12, 1997*

Mr. BENTSEN. Mr. Speaker, I rise to recognize the good work of the La Porte Education Foundation and to congratulate foundation members as they prepare for the fourth annual Education Celebration Event on March 13, 1997. The foundation's efforts to improve educational opportunities are forging a stronger community today and building a brighter future for our children.

The foundation's mission is to strengthen the La Porte community through education. A nonprofit organization operating separately from the La Porte School System, the foundation funds innovative, creative, and instructional projects for both students and teachers in La Porte schools.

The La Porte Education Foundation was established in 1993 because the community understood that there is a strong linkage between the quality of life in La Porte and the quality of its education system. Its organizers understand that, sometimes, the best way to meet a challenge is to roll up your sleeves and get involved.

The foundation's endowment has provided a steady, new source of funds outside the general revenue fund for expanding the educational opportunities available to La Porte's students. And it has worked.

The La Porte Foundation Board decided early on that the entire community needed to be actively involved in the foundation's efforts to enhance education in La Porte schools. As a means to involve citizens, the board chose to sponsor an event which would celebrate public education in La Porte on an annual basis. The first celebration was held at Sylvan Beach Pavilion and was developed and presented by a foundation committee consisting of teachers, community members, PTO and area industry representatives, and foundation board members. The first celebration was an overwhelming success with over 1,000 citizens enjoying booths from each school and entertainment from many students.

The second annual celebration was moved to La Porte High School to accommodate large crowds. Now in the fourth year, this year's celebration will highlight grant projects by LPISD teachers which were funded by the foundation. This unique event continues to draw enthusiastic crowds numbering over 1,000 each year.

I wish the foundation continued success as they celebrate another Education Celebration Event and continue their mission to improve the education and lives of the children of La Porte.

#### THE DEFENSE JOBS AND TRADE PROMOTION ACT OF 1997

HON. WALLY HERGER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 12, 1997*

Mr. HERGER. Mr. Speaker, today Mr. JEFFERSON, Mr. CRANE, Ms. DUNN, Mr. SAM JOHNSON of Texas, Mr. HULSHOF, Mr. HAYWORTH,

Mr. ENGLISH, Mr. CARDIN, Mr. PACKARD, Mr. DREIER, Mr. KING, and Mr. MCCOLLUM join me in introducing legislation that eliminates a provision of tax law which discriminates against U.S. exporters of defense products. The Defense Jobs and Trade Promotion Act of 1977 will help defense contractors improve their competitiveness, will protect our defense industrial base, and will help insure that American defense workers—who have already had to adjust to sharply declining defense budgets—do not see their jobs lost to overseas competitors because of a harmful quirk in our own tax law.

The Internal Revenue Code allows U.S. companies to establish Foreign Sales Corporations [FSC's], under which they can exempt from U.S. taxation a portion of their earnings from foreign sales. This provision is designed to help U.S. firms compete against companies in other countries which rely more on value-added taxes [VAT's] than on corporate income taxes. When products are exported from such countries, the VAT is rebated, effectively lowering their prices. U.S. companies, in contrast, must charge relatively higher prices in order to obtain a reasonable net profit after taxes have been paid. By permitting a share of the profits derived from exports to be excluded from corporate income taxes, the FSC in effect allows companies to charge lower prices and partially compensates for the differences between the U.S. tax system and that of most of our competitors.

In 1976, Mr. Speaker, the tax law was amended to reduce the tax benefits for defense products to 50 percent, while retaining the full benefits for all other products. The rationale for this discriminatory treatment—that U.S. defense exporters faced little competition—no longer exists. Whatever the veracity of that premise 20 years ago, today's military exports are subject to fierce international competition in every area. Twenty years ago, roughly one-half of all the nations purchasing defense products benefited from U.S. military assistance. Today, U.S. military assistance has been sharply curtailed and is essentially limited to two countries. Moreover, with the sharp decline in the defense budget over the past decade, exports of defense products have become even more critical to maintaining a viable U.S. defense industrial base. The aerospace industry alone provides over 800,000 jobs for U.S. workers. Roughly one-third of these jobs are tied directly to export sales. In 1996, for example, total industry sales were \$112 billion, \$37 billion of which was for exports. Of the three fighter aircraft under production in this country, two are dependent on foreign customers.

No valid economic or policy reason exists for continuing a tax policy that discriminates against a particular class of manufactured products. Furthermore, repealing this section will not impact the foreign policy of the United States. Military sales will continue to be subject to the license requirements of the Arms Export Control Act.

Mr. Speaker, improvement of the U.S. trade imbalance is fundamental to the health of our economy. The benefits provided by the FSC provisions contribute significantly to the ability of U.S. exporters to compete effectively in foreign markets. The FSC limitation on the exemption for defense exports hampers the ability of U.S. companies, many of whom already have access to large foreign markets, to com-

pete effectively abroad with many of their products. Section 923(a)(5) should be repealed immediately to remove this impediment to international competitiveness and to improve the health of our defense industry.

Let me briefly describe the historical context in which the FSC provisions were enacted, as it helps to explain why this section of the law should now be repealed.

The genesis of the FSC was the Domestic International Sales Corporation or DISC. Congress had enacted the DISC provisions in 1971 to stimulate exports and grant a Federal income tax deferral opportunity to U.S. firms engaged in exporting through domestic corporations. A DISC was not subject to Federal income tax on its earnings. Rather, the DISC's parent company was taxed each year on part of the DISC's earnings as if the parent company had received a dividend from the DISC. The DISC's remaining earnings were not taxed until actually distributed to the parent company. Until 1976, up to 50 percent of the DISC's annual export profits could be deferred in this manner, including profits from the sale of military products.

From the outset, Mr. Speaker, the DISC program was the subject of a dispute between the United States and other signatories of the General Agreement on Tariffs and Trade [GATT]. Some countries contended that the DISC provisions essentially created an illegal export subsidy that violated the GATT.

Partly in response to these criticisms, Congress reduced DISC benefits in the Tax Reform Act of 1976. First, Congress changed the tax rules in such a way that less than 25 percent, rather than 50 percent, of a corporation's earnings from exports could be deferred from U.S. taxation. Second, DISC benefits for the sale of military products were cut back. The House originally proposed to terminate all DISC benefits for military sales, except if the products were to be used solely for nonmilitary purposes. The Senate recommended that all DISC benefits be terminated for military sales unless it was determined that the property was competitive with foreign-manufactured property.

The compromise reached was that the DISC benefits would be terminated for 50 percent of military sales—whether or not competitive—made after October 2, 1975. For this purpose, military property was defined to include any article that is inherently military in character without regard to its intended use, such as communications satellites and their components, launch vehicles, and many aircraft and their components.

DISC remained a serious irritant in U.S. trade relations with other countries, particularly the European Economic Community, and in October 1982, the United States informed the GATT Council that it would propose to Congress legislation addressing the concerns of its trading partners over DISC.

In March 1983, the administration announced the general elements of an alternative to the DISC program. Legislation on the proposed alternative was introduced on August 4, 1983, to replace DISC's with Foreign Sales Corporations [FSCs]. The FSC provisions were signed into law on July 18, 1984, as part of the Deficit Reduction Act of 1984.

The FSC provisions are similar to the DISC provisions in that they were designed to encourage exports by allowing exporters to exempt a percentage of export income from tax-

ation. FSC benefits are provided for property manufactured or produced in the United States. The exemption on the sale of military goods, again, is half the amount otherwise allowed for other types of property. The legislative history shows that this special rule for military property was simply a carryover from the DISC provisions which were based on the premise that military products were not sold in a competitive environment.

Mr. Speaker, with the sharp decline in our defense budget over the past decade, exports of defense products have become even more critical to maintain or increase employment in the United States and to preserve the skills and facilities necessary to maintain a viable U.S. defense industrial base. But today, our defense companies face intense competition from companies in Europe and around the world. Indeed, global competition is even further intensified because Russia and other former Communist countries are now considered acceptable suppliers by countries that would not have purchased from them during the cold war. This increased global competition has contributed heavily to declining American sales abroad. Indeed, over the 10-year period between 1984 and 1994, U.S. defense exports declined an astounding 37 percent when measured in constant dollars.

The U.S. public and U.S. industry have made a tremendous investment in our defense industrial base. Decisions on whether or not to allow a defense export should continue to be made on foreign policy grounds. However, once a decision has been made that an export is consistent with those interests, surely our Government should encourage such sales to go to U.S. companies and workers, not our competitors. Discriminating against these sales in the Tax Code puts our defense industry at great disadvantage and makes no sense in today's environment.

The repeal of section 923(a)(5) would put defense companies on a more level playing field with other competitors with respect not only to military products but also to commercial products. This is true because companies that have developed skills and expertise producing goods for military use are most likely to apply those in commercial markets by developing new uses for military products or close derivatives from those products. Since the FSC provisions rely on a definition of military products that focuses on the source of the product's development and its potential use rather than on its actual intended use, almost all products currently produced by the aerospace industry are subject to the 50-percent FSC limitation under current law. This is the case even if these products or close derivatives are exported for strictly commercial purposes.

Mr. Speaker, let me close by stressing that no valid economic or policy reason exists for continuing a tax policy that discriminates against one class of manufactured products. To the contrary, thousands of good U.S. jobs, the maintenance of a healthy defense industrial base, and the improvement of our balance of trade argue for abolishing this unfair policy.

We must repeal this part of the Tax Code in order to provide fair and equal treatment to our defense industry and its workers, and to enable our defense companies to compete more successfully in the increasingly challenging international market. I would urge my colleagues to join me—and the bipartisan group

of original cosponsors—in supporting the Defense Jobs and Trade Promotion Act of 1997.

# WHY GINGRICH SHOULD STEP DOWN AS SPEAKER

HON. EARL F. HILLIARD

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1997

Mr. HILLIARD. Mr. Speaker. I wish to insert the following statement into the RECORD, regarding my vote in connection to the resolution of reprimand against Speaker GINGRICH in January, regarding his Ethics Committee problems.

STATEMENT BY CONGRESSMAN EARL F. HILLIARD

I voted against the House Resolution providing a reprimand and a monetary penalty of \$300,000 for Speaker Gingrich because it was less than a slap on the wrist. The fine itself is insufficient. Paying a simple fine is no deterrent for what the Speaker has done. In his position as Speaker of the House of Representatives, one of the highest positions within our government, and given the amount of power at his control, a reprimand and a monetary fine do not fit the misconduct which has been committed. How simple it will be for this Speaker to raise \$300,000 to pay a fine imposed upon him because of his wrongful fund raising activities.

The Speaker should have been censured, at a minimum, by the House of Representatives. In addition, he should voluntarily and immediately step down as Speaker. In his own words, he has stated that he: "brought down on the people's House a controversy which could weaken the faith the people have in the government." Through an abuse and misuse of power, Gingrich broke laws to enhance himself, strengthen his role within the Republican Party and strategically position himself to be Speaker of the House. Therefore, he intentionally and deliberately created a situation where he could become Speaker. He exists as Speaker today, only because he broke the rules.

Today's vote sends a message to the American people that money supersedes laws. Today's vote tells the American people that it is okay to break laws in order to become powerful because you will only have to pay a fine if you get caught. Today's vote shows the American people that the wealthy and powerful are given preferential treatment. Every time such a situation is allowed, we chip away at one of the pillars of democracy—and that is equal justice for all, regardless of financial status. While the Speaker received less than a slap on the wrist, one of the pillars of democracy received a fatal blow. While the Speaker is free to continue fund raising, the ideal of equal justice under the law is held captive on a \$300,000 bond. I voted against today's House Resolution because it fundamentally failed to adequately address the Speaker's wrong doing.

## TRIBUTE TO PATRICIA GORDON

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1997

Mr. LEVIN. Mr. Speaker, I rise today to recognize Patricia Gordon, a certified professional secretary, on the occasion of winning the 1997

Secretary of the Year. This award is an honor of distinction based on business experience, education, and Professional Secretaries International activities.

Ms. Gordon has been an office professional for 23 years, with the last 10 years spent in service to East Detroit public schools. She also has earned her real estate license and is the mother of four. She is looking forward to continuing her education earning a degree in business.

She has been active in the Macomb Chapter of Professional Secretaries International organization since 1993 and served her organization as the cochairperson for the 1996 Michigan Division Annual Meeting.

And so, Mr. Speaker, today, I commend and congratulate Patricia Gordon on the honor of winning 1997 Secretary of the Year. I extend my best wishes and good luck in the future.

## RECOGNIZING SEARCHY MARSHALL AS THE PETER J. SALMON NATIONAL BLIND EMPLOYEE OF THE YEAR

HON. ANNE M. NORTHUP

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1997

Mrs. NORTHUP. Mr. Speaker, Congress passed the Wagner-O'Day Act in 1938 to provide employment opportunities for Americans who are blind. Amended as the Javits-Wagner-O'Day Act in 1971, today, this program continues to provide employment and other support services to thousands of people who are blind or have other severe disabilities throughout the United States.

Many of the individuals who participate in the Javits-Wagner-O'Day [JWOD] Program are not capable of competitive employment, or do not desire competitive employment. The JWOD Act has been a successful initiative which has provided gainful and remunerative employment to many people who would otherwise have had no employment options.

Many of the persons served have overcome obstacles to lead fulfilling lives. Each year the National Industries for the Blind [NIB], the central nonprofit agency for industries for the blind participating in the JWOD, selects one outstanding worker as the Peter J. Salmon National Blind Employee of the Year. This year one of my constituents, Mr. Searchy Marshall, has been nominated to receive this impressive honor. I applaud Mr. Marshall for his determination to succeed and his dedication to his work. He is truly an inspiration to us all.

## TRIBUTE TO NEAL H. BROXMEYER

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1997

Mr. ACKERMAN. Mr. Speaker, I rise today to share with my colleagues in the House of Representatives the story of a man whose life, which ended all too soon at age 43, was dedicated to the pursuit of truth.

Neal Howard Broxmeyer searched for truth with a great intensity. He was long immersed in spiritual work which brought tremendous

peace. A beloved and respected leader of the School of Practical Philosophy, he played a major role in establishing its Abraham Lincoln School for Boys and Girls on the upper east side in Manhattan. His 8-year-old son is a student there, and is very proud of the role his Dad played. Indeed, it was one of Neal's precious dreams to see the school flourish and grow.

Neal's devotion to his family was exemplary. He naturally included within his family the many people whose lives intersected with his. In that sense, Neal's family included his associates and colleagues at Fairfield Properties, where he was a partner. His brothers have said that he was an excellent businessman, known for his honesty and his integrity. He was seen as the "heart and soul" of his business, and he was referred to as "the light of the office."

Neal Broxmeyer was a man who always looked beyond his own needs. He led his life in keeping with the maxim: "Set no limits in service," and encouraged others to do the same. He was always available to others. He cherished the community in which he lived and was very happy to be part of the community association. He led the way in establishing the security patrol in the community, and always said "How could I not take it on?"

Neal was a simple man who was extraordinary. Always there, steady and balanced; never looking for faults in others, but instead finding the goodness in everyone. Everything and everyone who benefited from his attention, concern, insight, wisdom, counsel, and warmth understands that there was "absence of claim." Although not rigid, Neal was highly disciplined. His life, though very short, was filled with a quality beyond most. Nothing, it seems, was wasted.

Neal is survived by his loving family: His beloved wife Susan; their children, Dara, Jennifer, and David; by his parents, Muriel and Joseph; and by his brothers Mark and Gary.

Mr. Speaker, it is my privilege and distinct honor to bring the brief life of Neal Howard Broxmeyer to the attention of my colleagues and hope they will join me in paying tribute to an outstanding human being.

## "THE ATTACK CULTURE"

HON. MICHAEL G. OXLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1997

Mr. OXLEY. Mr. Speaker, as usual, the columnist Robert J. Samuelson has written very clearly and concisely about the scandals and the so-called attack culture that we find ourselves in today. I recommend the following column to my colleagues:

THE ATTACK CULTURE

(By Robert J. Samuelson)

"Scandal" is the latest word to lose its meaning. The threshold for scandal has moved so low that Washington is almost never without one. The newest is the "campaign finance" scandal, but we are still dealing with the Whitewater scandal and the Gingrich scandal. We have a permanent apparatus of investigators, partisans and reporters working full time to discover and publicize alleged wrongdoing—and calling everything they examine a scandal or potential scandal. Growing outrage is expressed