expenses. The tax credit will apply to all individuals paying for textbooks, tuition, and other resources children need to excel in school.

Today, too many Americans are forced to choose between spending a little extra on their kid's learning and paying the rent. With the children's education tax credit, we can free parents to make the best education choices for their children. For decades, American families have struggled to make the best education choices because the Federal Government taxes them too much. It is vital that we reward investment in a child's education and encourage families to control more of their own money.

By letting parents decide how best their education dollars can be spent, we begin deferring to local communities and families the crucial decisions on how to educate a child. I urge that Members join me in fighting for sound education for our Nation's children by supporting the Children's Education Tax Credit Act.

A BOLD PROPOSAL FOR STIMULATING EMPLOYMENT AND GROWTH

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1997

Mr. HAMILTON. Mr. Speaker, I would like to bring to the attention of Members an important article published in Barron's earlier this year by William Drayton, an innovative thinker on economic and social development who founded the highly regarded non-profit organization, Ashoka. Mr. Drayton highlights the disappointing growth performance of the U.S. economy in recent decades. He also notes that more than 100 million Americans are either underemployed or unemployed. Mr. Drayton argues that helping make these Americans more productive is the key to restoring higher long-term growth to the U.S. economy. To stimulate job creation, Mr. Drayton makes a bold proposal: replace existing payroll taxes with a variety of resource-based ''patrimony taxes.'' Not everyone will agree with this proposal, but Mr. Drayton's article merits careful consideration. It offers an original way of thinking about a problem that has frustrated U.S. policymakers for many years.

[From Barron's, Feb. 24, 1997]

THE HIDDEN JOBLESS

(By William Drayton)

What if America could rev up a growth rate that would make Asians blush? What if it could be done all by market forces, without an increase in taxes, or the deficit, or Big Government? An administration willing to stop taxing jobs—and get the lost revenues from natural resources could bring America roaring into the 21st century with millions of new jobs. America could retain world economic leadership, and it would be able to heal the social divisions increasingly tearing us apart.

The first step is to accept that the country is not using 50% of its workforce—i.e., that unemployment is many times the 5.3% that the White House trumpets. The numbers are hard to duck. The 1990 census counted 6.87 million officially unemployed versus 133 million employed. However, only 80 million of that 133 million had full-time jobs (at least 35 hours a week). The other 53 million were part-time and seasonal workers, and only 14.6 million of them averaged 20 hours a week or more. A further 49.9 million perfectly healthy adults who are entirely free to work are omitted from the Labor Department's ''work force'' or ''unemployed'' categories: Because they are neither working nor actively seeking work, they are officially invisible. Including these invisible souls, 57% of the potential workforce are un- or underemployed—and that does not count millions more who have, for instance, some ailment but nonetheless want work. This makes for a very loose labor market indeed, and it entails gigantic social costs.

If the country has over 100 million un- and underemployed, why do our statistics and discussions focus only on the seven million ''unemployed''? Because they are the political problem: The others have psychologically accepted dependency/unemployment and are not actively angry or seeking help.

Giving these tens of millions of people jobs is our country's only possible avenue to fast growth. There simply is no resource other than this vast reservoir of un- or underutilized labor—and all the education, health care, and other human capital invested in them—that can provide the energy necessary for the economy to break out of its pathetic 2.5 percent growth rate. We have lost our raw materials advantage: As one of the most exploited continents in the world, we increasingly import—our oil and metals, for example. Nor do we any longer have privileged access to low-cost capital. Every year it becomes easier for companies in Thailand to tap cheap money in the ever-more-efficient global financial markets. Only in its people and their human capital does America have a huge unutilized resource that could fire growth.

The simplest and most powerful single policy to produce tens of millions of new jobs is to swap today's $525 billion in payroll taxes (chiefly Social Security, health, and unemployment) for equal revenues from a new ''patrimony tax'' on the continent's natural wealth. This would lower the price of labor relative to natural resources by 35 percent–40 percent over seven to eight years of gradual introduction. (If income-tax payroll deductions are also cut, the relative price shift would be well over 50 percent). This trillion-dollar-plus relative price shift is leveraged jujitsu: Higher natural-resource prices increase employment; so do lower labor costs. Social Security benefits would not be touched, just paid for in a new and politically attractive way.

Economic growth would multiply as the new workers produced far more goods and services, as families and government no longer had to pay for tens of millions of dependents; as crime and other social ills receded; as taxes shifted from production to consumption; and as the economy's new price signals encouraged rather than victimized the fast growth knowledge sectors that are our global strength and our future.

Here's how it would work. Reducing payroll tax rates by three percentage points each year would provide a $92 billion annual stimulus to employment. If the policy cut employee contributions first, the typical employee could be sent a $1,000 refund check for each such three-point reduction—a politician's dream.

Since the payroll tax ultimately comes out of workers' pockets in industries where they have little bargaining power, cutting it is one of the few feasible means of reducing the country's growing, corrosive income inequality.

Where workers do have leverage and therefore rising salaries—i.e., the knowledge sectors so key to our future—employers have to absorb the tax. Cutting it would allow them to hire more workers, cut prices (and therefore sell and hire more), and/or enjoy larger profits (which invites new competitors with new jobs).

Then there's the policy's incentive magic: It compounds such direct increases in the demand for workers by simultaneously raising the lost revenues through new taxes on the use of natural resources: The first year *relative* price shift thereby suddenly weighs in at $184 billion, not $92 billion.

There's political magic as well: These natural resource taxes can be enacted. As Al Gore (and many environmentalists before him) have learned painfully, stand-alone natural resource taxes are likely to crash and burn. These patrimony taxes, however, should fly politically. That's because they are inextricably married to giant political positives—increasing jobs and growth while slashing both payroll taxes and mass unemployment's social ills.

Given this popular underpinning and a little creativity, there are many, many politically feasible patrimony taxes. For example:

Energy Inefficiency Tax. A tax charged each year on the 25%-50% least-energy-efficient new cars, appliances, etc., and commercial buildings. The tax's automatic annual adjustment keeps revenue steady, spurs innovation and avoids the political heartburn of periodic adjustments. It spares the poor since they can buy old or relatively efficient new goods untaxed. It entails little administrative cost (most of the information is already available), and the political pain is tolerable (because taxed industries have winners as well as losers and because the super mobilized new property developers are excused). It would raise roughly $10 billion-$20 billion annually.

Non-Labor Value-Added Tax. The standard European consumption tax could be modified to tax all portions of production except labor. Such a tax with a 10% rate would produce over $180 billion. If housing, food, and medicine were excluded, it would still raise $80 billion.

Recycling-Incentive Tax. By charging two cents a box, bottle or other package unless it contained a minimum percentage of recycled material, this tax would create substantial new demand for scrap and $10 billion-$20 billion in revenues.

How would people respond to such changed incentives? Farmers, for example, would find summer hires more attractive than before—because they would cost less and could substitute for machines that chew up newly expensive energy and materials, and because a series of natural-resources-conserving activities, ranging from composting to fighting erosion would warrant the labor required. People-intensive outfits, from research labs to consulting firms, would grow as their chief cost was cut.

There are no bureaucrats, no sectional preferences, no ''industrial politics'' here. This policy uses what truly moves markets: changed prices.

Much more than national wealth and individual well-being are at stake. Allowing our decades-old below-expectations growth to continue will leave us mired ever more deeply in a historically familiar trap. Our first response—which is historically typical—was to keep consumption growing as fast as we felt it should by consuming capital—be it through controlling rents, cutting education or not maintaining our bridges. With the debt blow-off of the 1980s we reached the even more destructive next stage: If the majority can no longer ensure that its consumption continues to compound, it will be tempted to unite politically to protect whatever it does have from the claims of others.

Britain, which lost its competitive advantage in the 1880s, got stuck in this dispiriting, divisive stage by 1911—miring itself in a century of slow growth, social division, and declining relevance.

So much is at stake here that whichever party provides the needed political leadership could establish itself as the majority party for a long time. Breaking out of the current downward spiral would be as great a contribution as Roosevelt made when he stopped the similarly self-feeding downward spiral of the Great Depression.

This downward spiral is as global as Roosevelt's. Mass unemployment and underemployment is even worse in Europe and most of the developing world, and the reform opportunities are similar. The payroll tax burden on legal, formal sector employment in Brazil, for example, ranges from 52%–72%.

Effective leadership in this cause could call forth an extraordinarily powerful coalition, powerful because it serves the centralmost interests both of America as a whole and of giant constituencies:

Organized labor can only continue its decline as long as roughly 50% of the workforce overhangs a loose labor market.

The environment would benefit more from this sort of major increase in the relative price of natural resources than from any other plausible advance.

Women, given leverage by a tighter job market, could close in on wage differentials, open new jobs and shatter many a glass ceiling.

Older people who have lost jobs for decades as lower-paid women have pushed into work and who suffer earlier deaths and more illness as a result could, because of their numbers and propensity to vote, become a political tsunami as they press back in.

The disabled, African-Americans, Latinos, new immigrants, the young and all those concerned about America's social health (be it the well-being of the young, crime or a competitive workforce) have every bit as much at stake.

Business will be divided. The chief opposition will come from the politically mobilized natural resource industries; but the reform's chief beneficiaries, the knowledge and service sectors, now constitute over 80% of the economy.

Some economists suggest that today's unemployment is ''natural'' and that the economy would explode if we did better. If there is a problem, it certainly is not one of supply. If good work were available, hosts of people would respond—as they did in the first two years of World War II, when the number of people working jumped 35% and the average work week grew 20%.

The problem is demand. Do we have the imagination and courage to see the mass unemployment around us and then to act?

The means to break out are there. The political energy waiting to be tapped is enormous.

What is missing is leadership. Unfunded tax cuts would hurt growth. More training would help those trained find work—but largely at the expense of other marginal workers as long as there is no increase in the total demand for workers. The 1996 welfare reform increases the need for jobs without increasing their supply. Business cycle tweakings don't cause structural change.

Worse, some of America's leaders seem to be headed towards an exclusionary circling of the wagons. However, America is not Britain in 1911. It fires ''can't do'' leaders. It has the energy and the will to break out.

IN HONOR OF OUR NATION'S POLICE OFFICERS

HON. JOSEPH P. KENNEDY II

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1997

Mr. KENNEDY of Massachusetts. Mr. Speaker, I rise to join my colleagues in remembering and honoring the people who have put their lives on the line for our Nation's communities.

As you know, this is National Police Week. It is a week for every American to take some time and think about what our Nation's law enforcement officers do everyday. They keep order on our crime-infested streets, talk to young people about safety, drug, and crime prevention, and strive to make our neighborhoods better places to live. And every day they face the reality of being wounded or killed in the line of duty.

Too many of these brave individuals have fallen to heinous crimes. We should pause and reflect on the daily dangers they face in keeping our communities, streets, and neighborhoods free of harm. We should remember the sacrifice these people have made and the heartache their families have endured. And we should honor them for what they have done.

We must be ever vigilant in our efforts to assist the police in keeping our streets safe, our neighborhoods from danger, and our children protected.

I am pleased to join so many of my colleagues in honoring our Nation's law enforcement personnel.

TRIBUTE TO RICHARD W. CARLSON

HON. DANA ROHRABACHER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1997

Mr. ROHRABACHER. Mr. Speaker, I would like to take this opportunity to pay tribute to my friend and colleague Richard W. Carlson. Richard Carlson, president and CEO of the Corporation for Public Broadcasting [CPB], is resigning from this position after 5 years of dedication to the public broadcasting industry.

Dick brought to CPB a distinguished background in diplomacy, journalism, public service, and business. From 1991 to 1992, he was the U.S. Ambassador to the Republic of Seychelles. He also served as Director of Voice of America and Associate Director of the U.S. Information Agency from 1986 until 1991. He has received 19 major journalism awards, including the prestigious George Foster Peabody Award.

Last month he received a 1997 American Broadcast Pioneer Award, presented annually by the Broadcasters' Foundation. This award is given to individuals who have made legendary contributions within their spheres of influence in the broadcasting industry.

During his tenure at CPB, Dick guided public broadcasters through an intense time of public scrutiny. He responded to this atmosphere in an articulate, bipartisan fashion. In doing this, he exhibited those characteristics that constitute his genuine personality: Intelligence, leadership, evenhandedness, and commitment.

I congratulate my friend Dick Carlson upon this departure and wish him my best as he takes on new challenges.

CONGRATULATIONS TO PASTOR EMERITUS RALPH G. HOFFMANN

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1997

Mr. VISCLOSKY. Mr. Speaker, I would like to take this opportunity to congratulate Pastor Emeritus Ralph G. Hoffmann on his 60th-year ordination anniversary as a priest in the Gary Diocese. On Sunday, May 18, 1997, the parish of St. Mary of the Lake in Miller, IN, will honor Monsignor Hoffmann at a Tribute and Toast, which will feature a potluck dinner and several guest speakers.

Monsignor Hoffmann was born in 1911, in Hartford City, IN. He attended school at St. John the Evangelist, in Hartford City, IN, and St. Joseph's College. With the support of his family, Monsignor Hoffmann joined the seminary and studied at St. Gregory and St. Mary of the West, both in Cincinnati, OH. Shortly after his ordination on May 22, 1937, a day he describes as the highlight of his career, Monsignor Hoffmann accepted his first assignments at Holy Trinity Hungarian Catholic Church, in East Chicago, IN; and St. Mary's Church, in Michigan City, IN.

In 1943, Monsignor Hoffmann began the portion of his career for which he is best remembered when he served in the European theater of operations as an Army chaplain during World War II. Assigned to the 83d Infantry Division under the command of Maj. Gen. Robert Macon, Monsignor Hoffmann offered spiritual guidance and moral support to soldiers who took part in the Battles of Normandy, the Hurtgen Forest, Greater France, and the Battle of the Bulge. Before leaving Europe in 1946, he met Gen. George Patton and Gen. Omar Bradley. In addition, he was granted a private audience with Pope Pius XII, where he was asked to discuss the state of Austria. Monsignor Hoffmann was separated from the service in May 1947 with the rank of major.

Upon his discharge from the U.S. Army, Monsignor Hoffmann served several parishes, including St. Dominic, in Bremen, IN; St. Patrick, in Chesterton, IN; and St. Mary of the Lake, in Miller, IN; where he remained for 20 years. Monsignor Hoffmann was also appointed to a variety of organizations within the Catholic Church during his career. In 1958, he became the first director of the Priests' Eucharistic League. In addition, he served as the area moderator of the Council of Catholic Men in 1965, diocesan coordinator of the 41st Eucharistic Congress in 1975, and was appointed Episcopal vicar of the Gary Vicariate in 1976. Eight years later, Monsignor Hoffmann was appointed Episcopal vicar and dean of the St. Matthew Deanery.

In addition to being very active within the church, Monsignor Hoffmann devoted much of his time to public service as well. In 1975, then-Governor Otis Bowen appointed Monsignor Hoffmann to the Indiana Task Force on Migrant Affairs. This task force was comprised of representatives from private and public service agencies, migrant communities, employers of migrants, and concerns members of