

community service is given to a person who has dedicated personal efforts to promoting civic and cultural activities. The award this year is being given to Dr. Eduardo Lorenzo. The Joe Benavidez Award for education is presented to a person who has supported educational issues relating to Hispanics of all ages. Ms. Janie Rubio is this year's recipient. The Labor Involvement Award is being given to Ms. Estela Mata for her efforts to increase community awareness, improve the quality of life, and open doors for Hispanics. The Bruno Valdez Arts and Entertainment Award is presented to a Hispanic artist who has promoted Hispanic culture through professional and personal activity. The award this year is being given to Mr. Roel Martinez. The Veterans Award is given to a member of the Hispanic Community who has honorably served in the U.S. Armed Forces. Mr. Aleucion Duran is being honored with the award this year. Ms. Lorena Gonzalez will be given the Maria DeLeary Award. This year the Hispanic community will honor Mr. Domingo Berlanga for his selfless work that he devotes to the Hispanic Community.

To honor those of the Hispanic community just starting to pursue their life goals, the Pedro Mata, Jr., Scholarship Award will be given to Ms. Holly Saultman. The purpose of this award is to foster a commitment to community service and encourage continued education.

Mr. Speaker, it is with great pride that I rise today and ask my colleagues in the House of Representatives to join me in congratulating the winners of these awards. The recipients are to be commended for their dedication, commitment, and leadership to the Hispanic community of Flint and Genesee County.

TRIBUTE TO THE MEMBERS OF  
THE SOUTH BAY POST NO. 8300  
OF THE VETERANS OF FOREIGN  
WARS IN EAST PATCHOGUE

HON. MICHAEL P. FORBES

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 11, 1996*

Mr. FORBES. Mr. Speaker, I rise today to pay tribute to the members of the South Bay Post No. 8300 of the Veterans of Foreign Wars, in East Patchogue, Long Island as they celebrate the 50th anniversary of the post's founding this Saturday, September 14.

Established by World War II veterans returning home to Brookhaven Town after leading America's victory over fascism, the South Bay Post takes its name from the Great South Bay that separates the south shore of Suffolk County from Fire Island and the Atlantic Ocean. South Bay Post No. 8300 was officially chartered on September 14, 1946, and Howard D. Hunter was chosen as the post's first commander.

Utilizing a surplus Army hospital building from Camp Upton, now Brookhaven National Laboratory, the post opened its headquarters on Dunton Avenue in East Patchogue in the early 1950's on land purchased from the town of Brookhaven for \$1. Post members moved the hospital building from Camp Upton in three sections, installed the foundation and completed all the necessary renovations. Since its inception, the post headquarters have been

expanded to accommodate its membership, that rose from an original 73 veterans to a high of 142 in 1973. Today the roster stands at 79.

On May 30, 1947, the post held its first important event when it sponsored a Memorial Day parade and service at the Bellport Cemetery. The post still continues its annual Memorial Day parade tradition.

During South Bay Post No. 8300's half-century lifespan, many changes have come to this area of Long Island. What remains unchanged is the devotion that the post's charter members possess for their country and comrades-in-arms. This Saturday night, during the 50th anniversary celebration dinner, Post Commander Dominic Chiapperino will present 50-year pins to 11 charter members whose passion and faith in America and the Veterans of Foreign Wars post they founded have never wavered.

I ask my colleagues in the U.S. House of Representatives to join me in saluting these 11 charter members of South Bay Post No. 8300, Veterans of Foreign Wars, on their 50-year anniversary. The 50-year charter members are: Anthony Fuoco, Ralph Fuoco, Sam Fuoco, Anthony Satornino, Dominic Satornino, Charles Stethani, Vincent Stethani, Walter Albasi, James Cardamone, Gasper Perry, and Joseph Stethani.

As citizens of this free and prosperous Nation, all Americans owe our war veterans a tremendous debt of gratitude for the sacrifices they endured and the efforts they made on our behalf. Please join me in saluting South Bay Post No. 8300 of the Veterans of Foreign Wars and all of its members, for all they do for our veterans and for all they've done for America.

INTRODUCTORY STATEMENT FOR  
H.R. 4050 VALUE-ADDED TAX  
PROPOSAL

HON. SAM GIBBONS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 11, 1996*

Mr. GIBBONS. Mr. Speaker, the United States must have a new revenue system. We cannot afford the current system. It costs too much to operate. It destroys Americans' confidence in their Government and it hurts our economy by exporting American job opportunities.

Today, I have introduced H.R. 4050, and I have also placed in the CONGRESSIONAL RECORD a statement and a technical description for this proposal. This is the best that I have been able to do, drawing upon my 27 years of experience on the Committee on Ways and Means and my 34 years in Congress. I welcome discussion and criticism.

The legislation is comprehensive. First, it repeals all income taxes, personal and corporate. Second, it replaces the revenue lost with a value-added tax [VAT] on all goods and services at one flat tax rate. Third, it recognizes the current individual tax burden and it contains a proposal to keep this tax burden as it currently is and has been for the last 30 years.

A value-added tax is paid for by every American consumer which, by the way, is the ultimate impact of our current system. It is col-

lected by business and remitted by business to the U.S. Government. A VAT simply taxes the value of each good and service on its way to the ultimate consumer. It does so in a fashion which does not cause the rate of taxation to pyramid.

THE CURRENT SYSTEM

While raising the revenue we need and achieving some of the goals we originally set for it, our income tax system has become a maze of complexity, intimidating to almost all taxpayers in its broad scope and labyrinthine nature. Because of this complexity, most Americans think the Tax Code is unfair. Most believe it allows the wealthiest to escape fair taxation and leaves the heavier burden on those less fortunate. On average, Federal taxes take about 23.8 percent of family income. At the very least, Americans deserve a tax system they can understand and trust, one with the consistency that assures that all are paying by the same process.

Businesses, too, feel overly burdened by our tax system. Compliance requests, complex forms, and expensive staff are needed to merely comply.

Our current tax system has the effect of exporting our job opportunities. Practically all countries have a value-added tax. Their VAT is subtracted from the price of their goods are exported to the United States. When their goods enter our tax environment, we collect little if any U.S. tax. But when our goods and services enter their countries, they add their VAT to the price of our goods before they are sold. Therefore, our goods, when sold overseas, carry the tax costs of two systems but their goods sold in our country are largely exempt from taxation. The ultimate impact is to diminish and export our U.S.-based job opportunities.

MY PROPOSAL FOR AN AMERICAN VALUE-ADDED TAX—  
H.R. 4050

The bill I am introducing today would eliminate all of these problems. It repeals the individual and corporate income taxes as well as the Social Security and Medicare taxes—approximately 90 percent of our current Federal taxes. It is my proposal for a single-rate subtraction-method value-added tax as a complete replacement for our current tax system. I feel confident that this bill will give the Congress a strong starting point for this important debate. A technical explanation of this bill follows my introductory statement.

A value-added tax is a tax placed on the sale of goods and services at each point where the value of a product is increased instead of taxing income as it is received. For example, a tax would be imposed when timber was sold. If the purchaser of the timber made it into paper and sold the paper, a tax would be placed on the value added by the papermaker. The value added by the papermaker would be determined by adding up the gross receipts from the sales of paper and subtracting the cost of business purchases—for example, timber, equipment, chemicals for bleaching, electricity or other energy costs, et cetera. Because the tax applies only to businesses, the value-added tax is not collected upon the sale of an owner-occupied private residence.

Under a VAT, American exports would not be taxed because they will be taxed when they enter a foreign country—if we taxed them in the United States then we cannot be competitive and this will cost us American jobs. The tax would apply only to consumption of