

years, 1998–2000, by not less than 300 full-time persons each year. Not less than one-half of these new INS inspectors shall be assigned to the northern border. Similarly, Customs inspectors shall also be increased at the land borders by not less than 150 full-time persons in each of 3 fiscal years, 1998–2000, and not less than one-half of the Customs inspectors in each year shall be assigned to the northern border.

Mr. Speaker, I believe my new bill more comprehensively addresses the problematic issues that currently are found in section 110. It is critical that section 110 as it currently stands be amended in order to avoid unnecessary chaos at both the northern and southern land borders. An automated entry-exist system is not one to be implemented without careful consideration of the many issues involved. The Border Improvement and Immigration Act of 1997 provides the basis for making a decision on whether to go forward with such a system.

STATEMENT COMMENDING HANOVER COUNTY PUBLIC SCHOOLS

HON. TOM BLILEY

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, November 8, 1997

Mr. BLILEY. Mr. Speaker, today I would like to recognize Hanover County public schools as the first school system ever to win the U.S. Senate's Award for Continuing Excellence, or ACE. The ACE is awarded to organizations demonstrating "sustained exemplary performance in quality and productivity improvement." Since its establishment 14 years ago, it has only been given out six times, and never before to a public school system. Originally designed to recognize quality in private business, ACE has expanded over the years to include public sector agencies and remains one of the Nation's most prestigious awards.

Hanover County public schools have repeatedly been recognized for the excellence of their programs, the commitment of their teachers and administrators, the support of their parents and the community, and the achievement of their students. They qualified for the continuing excellence award by winning the Medallion of Excellence Award in 1991 and have continued to maintain a high performance on standardized tests, a high percentage of advanced studies graduates, and an exceptionally low drop-out rate.

The U.S. Senate's Award for Continuing Excellence is a tribute to the dedicated efforts of the many individuals who have created in Hanover County one of the finest public school systems in Virginia, and in the Nation.

STRONG ENCRYPTION NEEDED TO PROTECT NATIONAL SECURITY

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, November 8, 1997

Mr. DREIER. Mr. Speaker, computers not only make virtually every aspect of our lives easier, we depend on their efficient operation to help safeguard our national security, econ-

omy, and way of life. Yet all it takes is a determined criminal with a personal computer and an Internet connection to cause a great deal of harm. That's why it's crucial that America protects sensitive information in computers with the best technology available.

Ensuring the security of information stored in computers, and preventing criminals from breaking into critical systems requires encryption software, which uses mathematical formulas to scramble sensitive information so it can only be accessed by authorized users, who have the 'key' to decode the material. The more complex the formula, the tougher it is for an unauthorized user to decipher the scrambled material. While American companies generally hold an edge over their foreign competitors in the development of advanced encryption software, export controls allow them to export only relatively simple encryption products. Over 400 companies outside the United States produce encryption software, and most are not subject to the same restrictions as U.S. companies. These companies are increasing their share of the rapidly expanding world market for encryption software at the expense of U.S. firms, which are not allowed to compete.

The Clinton administration has proposed a radical change in encryption policy, one that would impose a mandatory key recovery system on encryption software used in the United States and exported abroad. Key recovery would require the maintenance of a centralized databank with all the Nation's encryption keys, and is primarily intended to help law-enforcement and increase national security. If police or other law-enforcement officials believe criminals have encrypted information that would help prevent a crime or catch a law-breaker, they would obtain a court order, then retrieve the key from the centralized database. They could then convert the encrypted information back into its original form. Not only does this proposal raise concerns about how to prevent criminals from breaking into the key database, and about the privacy of law-abiding users of electronic commerce and Internet communications, it probably won't work.

While the Clinton administration is working to require that U.S. companies only export advanced encryption software that uses a key recovery system, many other nations will impose no similar requirement on their firms. Because criminals will find it easy to import that software over the Internet, by electronic mail, on compact discs, or in some other way, they will continue to use encryption programs that U.S. law enforcement agencies don't have keys to. The people most affected by the mandatory key recovery system will be lawful Internet users, not the criminals and terrorists it is intended to combat.

Furthermore, prohibiting the export of encryption programs that don't include a key recovery system will make it impossible for American companies to compete with foreign firms that are not similarly limited. American companies will stop competing in a key technology in which they now hold a lead. It will cost U.S. jobs, and prevent advances in a technology that is critical to defending the United States from terrorists, criminals, and even simple hackers. Instead, Congress should lift the controls on encryption software, encourage development of this promising technology, and focus resources on helping police develop better tools to catch criminals

who use encryption in the commission of a crime.

THE WORKING AMERICAN'S TAX RELIEF ACT

HON. MAX SANDLIN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Saturday, November 8, 1997

Mr. SANDLIN. Mr. Speaker, I rise today to introduce legislation to improve take home pay and reduce taxes for every working American earning a paycheck. The bill, titled the Working American's Tax Relief Act, allows taxpayers to deduct from their taxable income that portion of their income withheld for payroll taxes.

The economic report of the Census Bureau this fall had good news for many Americans. The economy is growing, median income rose for the second straight year, unemployment is low, and welfare rolls are dropping.

However, the working families and small businesses of America are not reaping the rewards of our recent prosperity. Average wages for full-time male workers fell last year, and median income has not fully rebounded since the last recession, leaving the living standard of a typical family below 1989 levels. For the 60 percent of American households in the lower- and middle-income brackets, the situation is even more grim. Real income for these families has fallen for the past 7 years.

Mr. Speaker, this is why people seem to be working harder and longer and not getting ahead. This is why Americans working a 40-hour week struggle to make ends meet. There were many good provisions in the Taxpayer Relief Act of 1997, and I supported the bill. However, the Working Americans Tax Relief Act builds on our success and offers much needed tax relief to every American bringing home a paycheck.

Including both the employee and employer contribution, over 70 percent of Americans pay more in payroll taxes than in Federal income tax. Even worse, the burden of this tax falls most heavily on the over 90 percent of Americans who earn \$65,400 or less. Working, middle-class Americans earning up to \$65,400 a year pay a combined 15.3 percent of their income to fund the Social Security and Medicare programs. For taxpayers earning more than that, every dollar earned over \$65,400 is earned payroll tax free. Small businesses pay this tax regardless of the profits they make in a year, and for many small businesses payroll taxes have become the greatest tax burden. Small business owners and employees need relief from the tax. I am not proposing to change the structure of payroll taxes in America, but I am proposing to make the burden of the tax easier to bear.

American taxpayers currently pay income taxes on the portion of their income withheld from their paychecks for payroll taxes. Compounding the injustice of this tax is the fact that many of these taxpayers will again pay taxes on this income when they receive it back in the form of Social Security benefits after retirement. To eliminate this double taxation and offer the average American worker over \$1,000 in tax savings, my bill grants all workers, including the self employed, a deduction from taxable income equal to the amount of that worker's payroll taxes.