

growth. As of July 1, 1996, garments produced almost entirely in American Samoa lost their previous customs treatment even when only a relatively small portion of the production process is performed in a foreign country.

The garment company doing business in American Samoa would like to import U.S. yarn to American Samoa, knit or weave it in American Samoa, dye it in American Samoa, sew as much as the factory in American Samoa can handle, ship the excess out to another country for sewing, bring it back to American Samoa for final assembly and packaging, and have the finished goods enter the United States as products of the United States.

This was possible under the old regulations, but under the 1996 regulations, this can no longer be done. It does not make good business sense for this company to expand as it is proposing in American Samoa unless this expansion is economically feasible. The legislation I am introducing today, if enacted into law, would grandfather the nascent American Samoa garment industry under the old rules, enabling the industry to operate successfully in American Samoa and allowing the existing company to build a larger production facility and finance an orderly expansion.

I believe that this legislation is reasonable and fair and in the best interest of the U.S. textile industry as a whole and the U.S. territories in particular.

My legislation is limited in scope and will merely preserve the old country of origin rules for garment producers in American Samoa. My legislation will help other manufacturing companies who may contemplate locating in American Samoa.

This industry is already providing more than 400 new local jobs in American Samoa, and will provide hundreds more if the expansion plans can be implemented. The infant industry and its future growth are at stake.

This is an important test case which will prove whether or not new export industries can be successful in American Samoa. The implications of the success (or failure) of the expansion project are critical for the economic future of the territory.

Mr. Speaker, the experience of the people of American Samoa is a good example of the difficulties the U.S. territories face in attracting businesses to invest in our economies.

American Samoa's economy has been hampered by our isolation from world markets and world shipping lanes. We have relied on incentives such as the Possessions Tax Credit and the advantages offered under General Note 3(a) of the Harmonized Trade Agreement to help attract the outside investment our economy needs to grow, but those incentives are disappearing.

Over time, the advantages of doing business in the U.S. territories are being outweighed by the emergence of low-cost alternatives engendered by NAFTA and GATT/WTO policies. Countries with lower wage scales, such as Mexico and others in Central America and the Far East, are luring business away from the United States.

Under my analysis, sewing in higher-wage countries will continue to be reduced to the extent that soon there may not be a domestic U.S. sewing industry. I believe that this legislation will better position the United States to keep as much of the industry in U.S. hands as possible, and I look forward to seeing this bill enacted into law.

#### TRIBUTE TO JOHN ORELLANA

##### HON. KEN CALVERT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1998

Mr. CALVERT. Mr. Speaker, I rise today to pay tribute to John Orellana, an individual from my hometown of Corona, California who contributed generously of his time and talents to help others and to make his community a better place in which to live and work. In doing so, he made the ultimate sacrifice and died in January in the line of duty.

Mr. Orellana was not born an American citizen—he immigrated from El Salvador to the United States when he was 17 years old. He was proud of his adopted country, served honorably in the U.S. Marine Corps, and worked hard to provide for his family. Mr. Orellana was a 22-year veteran of the Immigration and Naturalization Service and worked as a special agent in the anti-smuggling unit. He was killed in a car crash as he responded to a call for help from a U.S. Border Patrol agent. Mr. Orellana was a husband, a father, and a great American who went out everyday to make a difference. And he did, some days in small ways, some days in big ways, and on January 29, 1998, it cost him his life. Mr. Orellana deserves our deepest respect and gratitude.

Mr. Speaker, I ask that you and our colleagues join me in remembering John Orellana. Our prayers and most heartfelt sympathy are extended to his family and loved ones. To Mr. Orellana's wife Aura, and his children Nami, David, and Pilar—we honor your husband and father and wish him God's peace.

#### SALUTE TO GRANT BRIMHALL

##### HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1998

Mr. GALLEGLY. Mr. Speaker, I would like to salute a man who has dutifully managed the city of Thousand Oaks for 20 years and has served the State of California for almost 35 years.

Today, I would like to recognize Grant Brimhall's commitment to public service—his commitment to everything from the arts, to social service, to transportation.

Under Grant's direction, Thousand Oaks boasts some of the busiest libraries in the Nation, active teen and senior centers and has maintained beautiful nature paths and scenic trails. And under Grant's direction, Thousand Oaks has provided affordable housing, and a successful business industry for its citizens, with solid and balanced economic growth extending into Ventura County.

Grant Brimhall set a standard—a standard and a philosophy that caught on. His example and urgings inspired the community to take control of their neighborhoods by getting involved in community policing, making Thousand Oaks ranked among the top three cities with the lowest crime rate for its size. Thousand Oaks is a place where residents have joined together to make their streets safer through community policing programs such as a citizens police academy, volunteers in policing, and mobilizing a police resource center.

But Grant Brimhall's contributions go beyond the district lines of Thousand Oaks. He also served the city of Glendora for many years as city manager and was actively involved in many civic activities as well.

I join many others in honoring Grant, who is the recipient of numerous awards from various groups and organizations.

Again, on the event of his retirement, I am pleased to honor the successful career of Grant Brimhall. His leadership and service will be missed, but whose years of hard work will continue to benefit the citizens of Thousand Oaks, California.

#### PROTECT SMALL BUSINESSES FROM ABUSIVE LAWSUITS

##### HON. BOB INGLIS

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1998

Mr. INGLIS of South Carolina. Mr. Speaker, I rise today to introduce the Small Business Lawsuit Abuse Protection Act of 1998.

American small businesses are under assault from excessive taxation, regulation and litigation. Particularly frustrating to many entrepreneurs is the fact that the current legal system makes them liable for accidents they do not cause and are powerless to prevent.

In the 104th Congress, the House of Representatives overwhelmingly supported common sense reform of our legal system. Today, however, because a comprehensive reform package was not enacted, it is vitally important that we stand up for small businesses facing a barrage of frivolous lawsuits. In the absence of a comprehensive package, we can still achieve much needed reform by advancing legislation that will offer targeted and incremental reform, as we did in 1997 by enacting the Volunteer Protection Act.

Mr. Speaker, I believe we can build on the momentum we started with the Volunteer Protection Act and provide similar protections to small businesses. The Small Business Lawsuit Abuse Protection Act of 1998 is simple and straightforward. It will offer three important protections to small businesses with 50 or fewer employees: Protects small businesses by allowing the imposition of punitive damages in any civil action only if the claimant establishes by clear and convincing evidence that the conduct carried out by the defendant through willful, misconduct or with a conscious, flagrant indifference to the right or safety of others was the proximate cause of the harm that is the subject of the action; protects small businesses by limiting punitive damages to the lesser of either two times the total amount of economic and non-economic losses or \$250,000; and protects small businesses by holding them liable in an amount that is proportionate to the degree of harm for which they are responsible.

A broad and bi-partisan consensus exists on the need to protect America's small businesses from abusive litigation. This legislation is supported by the United States Chamber of Commerce, the National Restaurant Association, National Small Business United and the National Federation of Independent Business.

Mr. Speaker, I encourage my colleagues to give this measure swift and favorable consideration.