

through 12th grade, and the selection of education materials and staff development activities for the professional staff of the district.

Mr. Speaker, it is with pride that I rise to salute a recognized and respected educator, Richard Pulice. I ask my colleagues to join me in paying tribute to him for his outstanding commitment to public education, and to wish him luck on all his future endeavors.

**KENSINGTON CONGREGATIONAL  
CHURCH CELEBRATES ITS 100TH  
ANNIVERSARY**

**HON. THOMAS M. FOGLIETTA**

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, June 7, 1995*

Mr. FOGLIETTA. Mr. Speaker, I rise today to salute the Kensington Congregational United Church of Christ in Philadelphia on its 100th anniversary.

The Kensington Congregational Church has witnessed many changes throughout the years. Under the watchful eye of Reverend Alan Reider, the church has maintained its commitment to its members and its community. The Kensington Congregational Church has 68 faithful members and draws a standing room crowd every Sunday.

The church offers provides the youth in its congregation with great opportunities through programs such as Sunday School, Bible School, Girl Scout and Boy Scout troops. The congregation also helps those in need with its Emergency Food Cupboard. Last year, the Kensington Congregational Church helped feed 576 families—nearly 1,500 people.

In recent years, the church has also opened its doors to the community at large, hosting meetings to address problems affecting Kensington. The congregation has worked with community activists to address problems ranging from drug abuse to flooded streets.

I hope my colleagues will join me today in wishing Rev. Alan Reider and the congregation of the Kensington Congregational Church a very happy 100th anniversary. I wish the Kensington Congregational Church the very best in its next 100 years of service.

**THE 100TH ANNIVERSARY OF THE  
NORTHERN CENTRAL NEW YORK  
VOLUNTEER FIREMEN'S ASSO-  
CIATION**

**HON. LOUISE McINTOSH SLAUGHTER**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, June 7, 1995*

Ms. SLAUGHTER. Mr. Speaker, I rise today to pay tribute to the village of Fairport's firefighters for hosting the 100th Anniversary Convention of the Northern Central New York Volunteer Firemen's Association. The Northern Central Volunteers have provided an invaluable service not only to volunteer firefighters throughout upstate New York, but also to the many people whose lives they have protected. I am pleased that my home village of Fairport is playing such a significant role by hosting this important event.

The Northern Central New York Firemen's Association was created in 1895 when William

Weedspoor and a few other volunteer firefighters between Rochester and Syracuse met to discuss issues relative to firefighters in their region. Since then, they have been a local adjunct to the Fire Association of New York State. The Northern Central New York Volunteer Firemen's Association has worked very closely with its State association to promote and protect the interests of firemen for the past 100 years.

The Northern Central delegation's contribution to the history of firefighters in New York State has been immeasurable. Three of the presidents of the Firemen's Association of New York State and one president-elect have come from the Northern Central Association in the past 15 years. Several of the Northern Central Volunteers have also served as trustees and presidents for the Firemen's Home in Hudson, NY.

The Rochester delegation of the Northern Central Volunteers also has a long history of leadership. After the Second World War, the Northern Central volunteers grew in membership and geographical area. Seneca, Ontario, Oswego, Steuben, and Yates Counties were added to the existent membership in Cayuga, Monroe, Onondaga and Wayne Counties. Sam Pitcher of Fairport, Joey Kuhn of Penfield and Lavern Barrett of Lyons were instrumental in adapting the Northern Central Firemen's Association to this dramatic growth. By writing a new constitution, creating new committees such as the Public Relations Committees, establishing new honors such as the Fireman of the Year Award, and launching new program's such as the Ladies Day Program, they and all of the members since 1895 have helped carry the Northern Central volunteer firemen into the 21st century.

Mr. Speaker, we should all be thankful for the courage and commitment to the safety of the people of New York State that the Northern Central volunteer firemen have displayed over the past 100 years. Please join me in saluting their service to our Nation.

**FEDERAL DEPOSIT INSURANCE  
AMENDMENTS OF 1995**

**HON. BILL McCOLLUM**

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, June 7, 1995*

Mr. McCOLLUM. Mr. Speaker, I rise to introduce the Federal Deposit Insurance Amendments of 1995, which addresses the weak condition of the Savings Association Insurance Fund [SAIF] and the risk that it poses to the U.S. taxpayers. This is an issue that must be addressed this year.

Currently the SAIF insured institutions are required to pay the interest and carrying costs on the Financing Corporation [FICO] debt. This obligation has been continuously diverting larger portions of the SAIF premiums from ever reaching the SAIF. Under the current structure two problems exist. First, if the SAIF deposits continue to shrink it is likely that there will not be enough money to meet the FICO obligation. Second, there will not be enough money to protect the taxpayer from losses associated with the thrift fund.

Today I am proposing a comprehensive solution to the SAIF problem. It addresses meeting the FICO obligation and providing an adequate cushion for the taxpayer.

My proposal requires that when the Bank Insurance Fund [BIF] exceeds the 1.25 percent designated reserve ratio any excess monies be rebated to the banks. This reestablishes the rebate that existed prior to the enactment of the Federal Deposit Insurance Corporation Improvement Act.

In order to safeguard the taxpayer, my proposal assists in the SAIF capitalization by spreading the FICO obligation across the BIF and the SAIF in proportion to the insured deposits held by members of the respective funds. My proposal also extends the availability of funds appropriated for the Resolution Trust Corporation [RTC] to cover losses from SAIF members until the SAIF reaches the designated reserve ratio. This should assure that the SAIF reaches the designated reserve ratio in a timely manner.

The interest earned by the BIF will be used to pay for the BIF insured institutions' share of the FICO obligation. The remainder of the interest will be paid into the BIF and may be eligible for rebate.

The Office of the Comptroller of the Currency [OCC] and the Office of Thrift Supervision [OTS] will be merged on January 1, 1996. My bill in this regard is similar to Chairman LEACH'S proposal introduced earlier this year.

Upon enactment of this proposal, the Treasury Department will be required to complete within 12 months a study on combining the bank and savings association charters into a unified charter.

This bill specifically requires the Treasury to consider issues concerning taxes consequences, Federal home loan bank membership, regulation of holding companies, and mutual ownership. The Treasury will also be required to report back to Congress with a legislative proposal as part of this study.

Finally, when the SAIF reaches the targeted reserve ratio of 1.25 percent, the BIF and the SAIF will be merged into one fund. Within 12 months of this merger, the Federal Deposit Insurance Corporation [FDIC] shall require that all insured institutions have a bank charter whether the new unified charter, State or other bank charters.

My solution does not affect the reduction in premiums that BIF insured institutions are scheduled to receive. The BIF will be fully capitalized this year and the FDIC is required to reduce BIF members premiums. Nothing in my solution or any other potential solution to the SAIF problem should jeopardize this reduction. The FDIC should move expeditiously to finalize the required reduction in premiums.

When the Congress passed Federal Institutions Reform, Recovery, and Enforcement Act of 1989 [FIRREA] to address the clean-up of the savings and loan crisis, it was based on faulty assumptions. The Congressional Budget Office [CBO] and the Office of Management and Budget [OMB] predicted thrift deposits would continue to grow at 7 percent annually. In reality, the SAIF insured deposits have decreased at an average rate of approximately 5 percent per year. Based on the CBO and OMB estimates the SAIF should have a \$1.3 trillion deposit base. However, there is only \$721 billion from which to derive premiums.

One of the results of the faulty assumptions is that the FICO interest payments continue to divert larger percentages of thrift premiums each year from reaching the SAIF. The FICO obligation is sizable, diverting \$795 million per

year, or 46 percent of the premiums, from the SAIF. As the percentage of premiums paying the FICO obligation continues to increase, the capitalization of the SAIF slows. Without corrective legislation, the SAIF may never capitalize, putting the taxpayer at risk.

In February 1995, the Federal Housing Finance Board noted that thrifts are unlikely to meet the FICO interest payments through their maturity. Price Waterhouse, FICO's outside auditor, and GAO have reported that if the assessment base continues to shrink a FICO default will occur by the year 2000.

The portion of the SAIF deposit base available to pay the FICO obligation has declined at an annual rate of 10 percent because insurance premiums paid by so-called Oakar and Sasser banks cannot be used to pay the FICO obligation. An Oakar bank is a BIF member that has acquired a thrift and therefore pays into the BIF and the SAIF. A Sasser institution had a savings association charter and has converted to either a commercial bank or State savings bank. A Sasser bank remains a SAIF member.

The SAIF is grossly undercapitalized. Currently, the SAIF has \$2 billion in reserves backing up approximately \$693 billion of insured deposits. This is about 28 cents for every \$100 of insured deposits which is far below the Congressionally mandated reserve ratio of \$1.25 per \$100. In order to meet the designated reserve ratio the SAIF needs approximately \$8.5 billion, an additional \$6.5 billion to its reserves.

According to Jonathan Fiechter, the Acting Director of the Office of Thrift Supervision, "The SAIF is weak \* \* \* A sudden economic downturn, a weakness in a particular real estate market, or unexpected stress on the deposit insurance system could overwhelm the thinly capitalized SAIF and render it insolvent."

An undercapitalized SAIF puts the taxpayer at risk. On June 30 of this year the RTC will no longer be responsible for resolving failed thrifts. This means that losses in excess of SAIF reserves must be covered by the taxpayer.

According to the FDIC, problem thrifts currently hold \$31 billion in assets and the SAIF only has \$2 billion in reserves. This is simply not enough because the failure of one of the large problem thrifts or a combination of small problem thrifts could deplete the reserves of the SAIF and leave the taxpayer holding the bag, again.

Additionally, even if the SAIF becomes fully capitalized, the OTS believes that the fund will not be sound. A key ingredient to a sound insurance fund is size. The fund must be large enough to spread risk and absorb a series of simultaneous losses of at least moderate size. Since the fund is much smaller than Congress anticipated due to the faulty assumptions, the SAIF fails to meet the basic standards of size and diversity.

This issue must be addressed now. The Federal Deposit Insurance Amendments of 1995, protects the taxpayer from footing the bill resulting from another savings and loan fiasco.

## THE ARMS CONTROL AND DISARMAMENT AGENCY

### HON. JOHN JOSEPH MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, June 7, 1995*

Mr. MOAKLEY. Mr. Speaker, I want to share with my colleagues an editorial recently published in the Boston Globe which highlights the impact of legislation pending before the House and Senate which would fold the U.S. Agency for International Development, the United States Information Agency and the Arms Control and Disarmament Agency into the State Department. I think that the Globe makes a very strong case for allowing the Arms Control and Disarmament Agency to retain its current status as an independent agency.

#### THE MASOCHISM OF CHAIRMAN HELMS

All other systems are worse than democracy, Winston Churchill once observed. But there are moments when it is salutary to remember that Churchill also recognized that democracy can look plenty bad. This is one of those moments.

Grandstanding, demagoguery and perversity: These are some of the qualities on display in congressional attempts to restructure and cut funding for agencies that carry out US foreign policy.

Though budgets of these agencies should be scrutinized for economies and pruned accordingly, the legislation initiated by the chairman of the Senate Foreign Relations Committee, Sen. Jesse Helms, is composed of measures that would, if implemented, do grave harm to US interests and to millions of people around the world.

In a spirit of score-settling, Helms, a North Carolina Republican, and other conservatives in Congress have been truffling the House and Senate foreign aid bills with irresponsible provisions pertaining to America's lost sovereignty over the Panama Canal and abortion in China. In a hamhanded manner, they have also been seeking to meddle in the Clinton administration's delicate negotiations to make North Korea abandon its nuclear weapons program without having to bomb Pyongyang's cooling ponds. The posturing of Helms and his emulators in the House, if judged by its likely effects, amounts to a show of unwitting masochism.

Of three independent agencies the Helms bill would absorb into the State Department—the US Agency for International Development, the US Information Agency and the Arms Control and Disarmament Agency—the strongest case for preserved independence belongs to the arms control agency. Not only does this lean, inexpensive agency have the most impressive record of achievements and the most fateful missions in the aftermath of the Cold War, it also owes its success to its status as a separate, specialized entity.

The agency has saved taxpayers billions of dollars and enhanced US security because it has been able to offer advice on policy directly to the secretary of state and the president. Its expert judgments on Pakistan's nuclear weapons capability or on the proper interpretation of the Anti-Ballistic Missile Treaty, for example, did not have to be trimmed or inverted to comply with the parochial bureaucratic interests of the Departments of State and Defense.

Without the independence of the Arms Control and Disarmament Agency, the other national security bureaucracies would hardly have pursued the banning of the Soviet

Union's dangerous and destabilizing SS-18, an intercontinental ballistic missile with multiple warheads. Nor would the United States be on the road to a comprehensive nuclear test ban treaty and a verifiable Biological Weapons Convention. If the arms control agency were folded into the State Department, as Helms proposes, its decisive, expert influence on crucial issues of national security would inevitably be diluted. The loss would be incalculable.

#### THE PTA

### HON. BENJAMIN L. CARDIN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, June 7, 1995*

Mr. CARDIN. Mr. Speaker, I rise today on behalf of Parkville Middle School in my district. I received a large notebook of letters and artwork from Parkville students, requesting a commemorative stamp in honor of the Parent Teacher Association [PTA]'s 100th anniversary in June 1996. Most of us have been PTA members ourselves and we know that this outstanding organization has dedicated itself to strengthening the family-school-community partnership which is essential to quality education.

The PTA has an impressive record. It has been involved in working toward achieving better schools, healthier children, and stronger families for our Nation's future. Over the years, it has conducted nationwide campaigns to promote awareness on such issues as drug and alcohol abuse, protection of the environment, teacher appreciation, safety, AIDS, and the promotion of positive self-images.

In 1912, the PTA sponsored the first hot-lunch programs in our schools. In 1941, it initiated a nationwide school-lunch program. The PTA is responsible for the organization of field trips, launching health information projects, and sponsoring events which create a more well-rounded, quality educational experience.

I would like to read to you a couple of reasons these students want to commemorate the PTA:

Also in 1976 they began a nation wide project to combat violence on television. This was needed so that children will behave in play and in class without violence. Remember, children can not vote what they want, that's what the PTA does.

I remember when at my old school Villa Cresta Elementary and my big fifth grade trip was coming up, a thrilling three days at Camp Wo-Me-To. The Villa Cresta PTA paid the rent fee for each cabin so all us fifth graders only had to pay for food and activities such as rock climbing and stream study. The camp fee was able to let low income families pay for their child's trip. Do you remember when you were a kid in especially elementary school or even middle or high school when the PTA did something for your school like a Fun Fest or Fiesta? Well I do remember.

I believe that the PTA should get a commemorative stamp in honor of the National PTA. My personal experience with the PTA is that in my old Elementary School, Fullerton, our PTA made a day for us kids. The day was called Fun Fest Day.

I am sure that many of you have received similar letters from your constituents. I have written to the National Stamp Advisory Committee expressing my support for commemorating the PTA's 100th anniversary next year.