EXTENSIONS OF REMARKS

THE 401(k) PENSION PROTECTION ACT OF 1996

HON. GARY A. CONDIT
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1996

Mr. CONDIT. Mr. Speaker, recently I introduced H.R. 3688, the 401(k) Pension Protection Act of 1996. This legislation will protect the retirement savings of approximately 30 million Americans in 20 to 30 million households. Senator BARBARA BOXER previously introduced this bill in the U.S. Senate.

Under current law, traditional, defined benefit, pension plans are prohibited by the Employee Retirement Income Security Act [ERISA] from investing more than 10 percent of their assets in securities and real estate of the company sponsoring the pension plan. ERISA also requires diversification of employer investments made by traditional pension plans. Such plans are protected by Federal Pension Benefit Guaranty Corporation [PBGC] insurance in the event of the bankruptcy of the sponsoring company.

These rules and protections do not apply to 401(k)-type plans, exposing their participants to greater investment risk; 401(k)'s are not insured by the PBGC. Market risk is completely borne by participants.

In early June, a Wall Street Journal lead story illustrated the dangers that uneven application of conflict-of-interest rules presents to 401(k)'s. Color Tile, Inc., a nationwide retailer, sought bankruptcy protection in January. Color Tile closed 234 of 723 stores and fired hundred of employees.

The employees were shocked to learn that 83 percent of their 401(k) assets were invested in 44 Color Tile stores, some of which were closed. Color Tile's only retirement plan is the 401(k). The bankruptcy put not only the employees's jobs, but their pension savings, in jeopardy.

The danger to 401(k)'s permitted by the lack of a 10-percent limitation is also illustrated by the 1992 failure of Carter Hawley Hale stores, a major California department store chain. Carter Hawley's 401(k) was invested in Carter stock. The bankruptcy wiped out 92 percent of 14,000 employees' 401(k) plan assets.

This was unintended and unforeseen. ERISA originally contained no 401(k); 401(k) was added in 1978 to the section covering profit sharing plans, which are exempt from the 10-percent limitations on employer investment. At the time, the limitations were not seen as relevant. Experts predicted that the 401(k)'s would be small, profit-sharing plans. The defined benefit pension plan already protected by the conflict rules, was considered the vehicle for delivery of retirement security.

These expectations proved wide of the mark; 401(k) plans have become in many cases the predominant pension plan for Americans, not supplemental, profit-sharing plans. They enroll approximately 30 to 35 million Americans, hold $675 billion in assets, and are growing dramatically. It is time to protect 401(k) plans as ERISA intended retirement security vehicles to be protected.

H.R. 3688 applies the same employer conflict-of-interest and diversification rules to both 401(k) and traditional pension plans. Both would be prohibited from investing more than 10 percent of their assets in employer securities and real estate. Plans which hold no more than 10 percent of the retirement assets for all qualified pension plans of an employer would continue to be exempt. This permits smaller, supplementary, profit-sharing plans to be 100 percent invested in employer securities and property.

Investments in excess of the 10-percent limitation on the date of enactment would be grandfathered, allowing those plans to gradually reduce the amount in excess as they make new investments and receive new contributions. Current law allowing the Secretary of Labor to grant exemptions from conflict rules would continue.

Participant-directed 401(k) plans would be exempt, allowing employees to assume the risk of investing more than 10 percent of their assets in their employer. Employers could contribute stock in excess of the limit but only to employee directed accounts, requiring employers to compete in the financial marketplace with other investments, e.g., mutual funds, to retain the employee's investment.

Mr. Speaker, this legislation is needed to protect the retirement savings of Americans and I urge our colleagues to cosponsor this legislation.

H.R. 3688

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''401(k) Pension Protection Act of 1996''.

SEC. 2. CERTAIN PROHIBITED TRANSACTIONS APPLIED TO 401(k) PLANS.

(a) IN GENERAL.—Paragraph (3) of section 407(d) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1107(d)) is amended by adding at the end the following new sentence: ''Such term also excludes an individual account plan that includes a qualified cash or deferred arrangement described in section 401(k) of the Internal Revenue Code of 1986, if such plan, together with all other individual account plans maintained by the employer, owns more than 10 percent of the assets owned by all pension plans maintained by the employer. For purposes of the preceding sentence, the assets of such plan subject to participant control (within the meaning of section 404(c)) shall not be taken into account.''.

(b) EFFECTIVE DATE; TRANSITION RULE.—

(1) EFFECTIVE DATE.—Except as provided in paragraph (2), the amendment made by this section shall apply to plans on and after the date of the enactment of this Act.

(2) TRANSITION RULE FOR PLANS HOLDING EXCESS SECURITIES OR PROPERTY.—In the case of a plan which on the date of the enactment of this Act has holdings of employer securities and employer real property (as defined in section 407(d) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1107(d)) in excess of the amount specified in such section 407, the amendment made by this section shall apply to any acquisition of such securities and property on or after such date of enactment, but shall not apply to the specific holdings which constitute such excess during the period of such excess.

[From Newsweek, July 8, 1996]

WHEN A 401(K) IS NOT OK

(By Jane Bryant Quinn)

Everyone loves the 401(K)—including me, most of the time. Unseen hands pluck money out of your paycheck and invest it for your future, tax-deferred. If you leave the job early, you carry this portable pension with you. More than 22 million workers were covered by 228,000 plans in 1995, according to Access Research in Windsor, Conn. That's the only private retirement plan that a large percentage of them have.

But something is rotten in 401(k)-land, and it's going to cost some trusting employees much of the money they've put aside. These otherwise excellent plans have leaks. Unscrupulous, careless or foolish employers are despoiling some accounts.

Let me hasten to say that most of the 401(k)s today seem safe from harm. Those are the plans where workers can choose their own investments and follows their progress. But for about 20 percent of the plans (some small, some large), the boss or his minions handle part or all of the money. That's where the temptations lie. If the company gets into trouble, the boss might borrow recklessly from the 401(k). If he thinks he can outinvest anybody in the house, he might plunge into risky new issues that don't belong in the average worker's plan. He can even toy with showoff ''investments'' like Persian carpets or Kewpie dolls.

For a good example of what can go wrong, consider the luckless workers at Carter Hawley Hale, which filed for bankruptcy in 1991. They had no investment choice. Their entire 401(k) was invested in nearly worthless Carter stock. And then there's Color Tile, a $700 million floor-covering firm in Ft. Worth, Texas, that entered bankruptcy this year. A committee run by Color Tile's former chairman invested more than 90 percent of the 401(k) in Color Tile stores, according to a lawsuit filed on behalf of the plan. Color Tile didn't return calls. No one knows what the plan is currently worth. The employees can't get their money out.

Déjá vu: A generation ago, the same kinds of abuses poisoned traditional pension plans (the kind that pay retirees a monthly income for life). Employers could promise pensions but not provide all the money needed to pay. They could make workers wait for 15 or 20 years to receive any benefits, then fire them just before they qualified. For a while, most lawmakers shrugged off these tragedies as ''small stuff.'' It took a mount of injury to win ERISA, today's pension-protection law. How big does the next Color Tile have to be, for holders of 401(k)s to win protection, too? Here's an agenda, for any legislator of conscience:

Ban collectibles as 401(k) investments (art, antiques, stamps, gems, memorabilia). They're not permitted for Individual Retirement Accounts, Keogh plans or the 403(b) plans used by schools, hospitals and other nonprofits. So why should 401(k) savers be

exposed to so nutty a risk? If the boss wants to cuddle up to a carpet, let him buy it on his own dime, not with money from the plan. I don't care if the plan gets lucky and the carpet's value flies. It's an unconscionable ''investment'' to force on workers of modest means.

Ban employers from putting more than 10 percent of plan money into the company's own securities or real estate. That's already the rule for traditional pension plans. A bill just proposed by Sen. Barbara Boxer, a California Democrat, would give the same protection to a 401(k) if the plan lets the boss make all the investment decisions.

Boxer's opponents are quick to say that the pension law shouldn't be rewritten just because of a smelly plan like Color Tile's. But there's a lot more rot in this barrel than anyone knows. Doctors and dentists, for example, may use a 401(k) to buy the building they practice in. That's fine for a well-to-do doc who also has other investments. But it's contemptuous of the nurse whose small savings are now tied up in one piece of real estate. Rick Shoff, president of NRP Financial Group in Jamison, Pa., and a recordkeeper for 401(k)s, advises employer-directed plans to put one or two employees on the investment committee. They deserve a say in where their money goes.

If I were czar, I'd stop plans from investing more than 10 percent of their assets in any real-estate or nonpublic business venture. These deals are illiquid and their value uncertain, says Normal Stein, professor of law at the University of Alabama. When you get a payout from such a plan, you may or may not receive a fair share, depending on how accurate the appraisal was. On rare occasions, you can't even get your share in cash. The plan might hand you a piece of paper attesting that part of the property is yours—and a fat lot of good that will do you if you want to sell.

Require a warning label on plans that let workers invest in company shares. The shares themselves may be low-risk, but it's high-risk to overinvest in them. In general, you should put no more than 10 percent of your money there, even when business is good. If employers use stock to match employee contributions, the employees should be free to swap into something else.

Offer an investment alternative to employees who hate their 401(k)s. You'd lose your company match, but who cares, if it's buying the equivalent of Carter Hawley shares? At present, you can switch to a tax-deferred Individual Retirement Account, but only if (1) no funds went toward 401(k)s this year, for you or your spouse, and (2) neither has a traditional pension plan. Employees with modest incomes can take an IRA write-off even if they're in a plan. But that's worth only $2,000 a year. Why not pressure plans to improve by creating real competition? Let unhappy workers put the same dollars into some sort of independent 401(k).

Under current law, those responsible for a 401(k) are supposed to act prudently and invest for the good solely of the participants. ''But noncompliance is an option for small employers,'' says attorney Michael Gordon of Washington, D.C. ''Nobody thinks the government's going to knock on their door and enforce the law.''

Skunks like that might not pay attention to reform (complain to the Labor Department at 202–219–8776). But new laws could save the many plans whose sponsors aren't devious, just dumb.

THE DEFENSE OF MARRIAGE ACT

HON. JAMES M. TALENT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1996

Mr. TALENT. Mr. Speaker, marriage is older than the Government, older than the Constitution and the Union, older than the political traditions from which our Republic springs. It originated with human civilization; it is rooted in and sanctioned by the precepts of all the great monotheistic religions and in particular the Judeo-Christian religion. It strikes me as an enormous act of presumption to treat the institution of marriage as if it were infinitely malleable, like silly putty that can be turned and twisted into any shape without destroying it. If marriage means anything, it means nothing, and if it means nothing then our society fades away like a flower with no roots. I support this bill because it does what it says it will do; it defends marriage insofar as it is appropriate in our Federal system for the Congress to do so.

I want primarily today to concentrate on the arguments offered against the bill.

First, it is said that the bill discriminates against loving homosexual partners. Well, Mr. Chairman, this bill maintains the standards of our society; and whenever you maintain a standard, you necessarily place a burden on those who don't meet the standard. Our society has a standard against polygamy; that means that loving polygamous couples cannot all marry each other. We have a rule against incest. That discriminates against adult incestuous couples who wish to marry. Mr. Chairman, our society is hurting so badly that I'm for almost any kind of real love or commitment. But there is a limit to how much we can change the organic institutions of our society in response to the alienation some people feel. We live in a free country, where people can live pretty much as they want. It is free precisely because we have standards, because our society has successfully socialized most Americans in the values of love, charity, and tolerance; and the institution on which we depend to socialize these values is the institution of marriage. Those who oppose this bill are either seeking no standards or a standard vastly different from that sanctioned by millennia of tradition, the teachings of all the monotheistic religions, and in particular the teachings of Judeo-Christian religion on which our culture is based.

It is also argued that supporting this bill and defending traditional marriage is equivalent to racial bigotry. Here I have to offer the House a personal complaint. I don't speak very often on the House floor, and it seems like every time I do somebody is calling me a racial bigot. I was for a balanced budget and that made me the same as a racist. I'm for welfare reform and in the eyes of some that was the equivalent of racism. Now I'm for the traditional standards of marriage and once again the other side is calling me a bigot. Well, if supporting heterosexual marriage is the equivalent of racism, then Pope John Paul is the equivalent of a racist and so are a lot of black pastors around the country because they all support traditional marriage, too. Mr. Chairman, it is precisely this kind of incoherence, this substitute of moral posturing for moral reasoning, that is at the heart of the cultural decline in America today.

Finally, we are told that this bill is divisive. Mr. Chairman, there is a division in our society over whether homosexuality should be treated in all respects as equivalent to heterosexuality. Those who support this agenda are attacking the marriage institution in support of their cultural goals. We do not call you divisive because you are attacking the institution of marriage. Why do you call us divisive for defending it? The question isn't whether any of us are being divisive; it is what side of the division you are on, and whether you want this dispute to be resolved for every State by the Supreme Court of one State. If you respect marriage, if you cherish the traditions of our society, if you want to nurture the most basic institutions of our culture, then vote against these amendments and for the Defense of Marriage Act.

INTRODUCTION OF THE NORTHERN MARIANA ISLANDS DELEGATE ACT

HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1996

Mr. GALLEGLY. Mr. Speaker, I am introducing today a bill to provide for a nonvoting Delegate to the House of Representatives to represent the Commonwealth of the Northern Mariana Islands.

I do so with the original cosponsorship of Chairman DON YOUNG. Both of us have set the goal of clearing away the old, traditional ways of dealing with the territories of our Nation. The Northern Mariana Islands Delegate bill serves that goal. This measure enjoys broad bipartisan support and I want to acknowledge members of the minority who are also original cosponsors.

I believe in fairness and political justice. Every U.S. citizen living within the borders of this Nation should have a voice in Congress. Only the people of the Northern Marianas do not. My bill corrects that. It provides for a Delegate to represent the Northern Marianas here in the House of Representatives.

Historically, Congress has provided for representation by Delegate for over 30 U.S. territories. Today, four of five territories and the District of Columbia, or the six areas of our Nation which have permanent populations but are not States, are so represented. My bill provides representation for the sixth, the Northern Mariana Islands.

I also believe in reducing the influence of Washington in local affairs and in increasing local responsibility for local actions. During the last two Congresses, I urged the closing of the Interior Department office that has for years been a kind of territorial overseer. With the bipartisan support of my colleagues, the 104th Congress has terminated the Office of Territorial and International Affairs, eliminated the Assistant Secretary political position for that office, and reduced the bureaucracy in half. That office was no longer required since the territories have their own elected officials at home and their own elected official in Congress. However, only the Northern Marianas lacks an elected representative in Congress and the legislation I have introduced corrects that. With passage of the Northern Mariana Islands Delegate Act, all these territories will be

able to speak for themselves and will be responsible for their own actions.

Many of us in this Congress have concerns about local law enforcement and protection of fundamental human rights in the Northern Marianas and there is no intention to lessen the commitment in these areas. At the same time, we can also see that the society and economy of the islands have flourished as part of the United States. We should have a Delegate, elected by the people of the Northern Marianas, here in Congress, to whom other Members can go to answer our concerns. We should have a Delegate here who can legitimately advise Congress of what Federal actions are appropriate and necessary in the Northern Marianas.

In introducing this bill today, I want to remind Members of the special circumstances under which the Northern Marianas became a part of the United States after World War II. The Marianas were one of four Micronesian archipelagoes in the United Nations Trust Territory of the Pacific Islands administered by the United States. The other three areas voted in self-determination referenda to become separate sovereigns in free association, with separate nationality and citizenship. However, unlike the other areas, the people of the Northern Marianas chose to be part of the American political family. In 1975, they did so by an overwhelming vote of 79 percent approving a Covenant of political union negotiated by their representatives and representatives of Presidents Nixon and Ford. In 1976, Congress approved that Covenant with Public Law 94–241.

Despite this birth by democratic self-determination and having gained U.S. citizenship on November 3, 1986, the people of the Northern Marianas have never had representation here in the House of Representatives. In 1985, a Commission appointed by President Reagan and including Congressman Robert J. Lagomarsino, long an expert on insular affairs in this House, recommended a Northern Marianas Delegate. His predecessor on the Commission, former Congressman Phillip Burton, was another advocate of the U.S.-Marianas relationship, and supported eventual representation for the islands.

The Northern Marianas Legislature has three times in the last 6 years petitioned Congress for a Delegate. The speaker of the NMI Legislature, Diego T. Benavente, recently appeared before a congressional hearing I conducted which addressed this issue, and affirmed that the NMI is prepared to enact the necessary implementing legislation for the election of a Delegate. The elected official who represents the islands here, Resident Representative Juan N. Babauta, has untiringly sought the voice in Congress his people want.

Today, I am responding to the Commission's recommendation, the clear desire of the people of the Northern Marianas, and to my own sense of what is right. I hope that the House of Representatives and the Senate will act on this legislation in this session, so that the new Americans of the Northern Mariana Islands can cast their votes for the election of a Delegate to Congress on their 10th anniversary of U.S. citizenship. I urge my colleagues to cosponsor the Northern Mariana Islands Delegate Act. Following is the text of the legislation.

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Northern Mariana Islands Delegate Act''.

SEC. 2. DELEGATE TO HOUSE OF REPRESENTATIVES FROM THE NORTHERN MARIANA ISLANDS.

The Joint Resolution entitled ''Joint Resolution to approve the 'Covenant To Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America', and for other purposes'' approved March 24, 1976 (48 U.S.C. 1801 et seq.), is amended by adding at the end the following new section:

''SEC. 6. DELEGATE TO THE HOUSE OF REPRESENTATIVES.

''(a) IN GENERAL.—The Northern Mariana Islands shall be represented in the United States Congress by a nonvoting Delegate to the House of Representatives. The Resident Representative of the Northern Mariana Islands, as authorized by section 901 of the foregoing Covenant and upon election pursuant to subsection (c) of this section, after the date of the enactment of this section, shall be the Delegate.

''(b) COMPENSATION, PRIVILEGES, AND IMMUNITIES.—Until the Rules of the House of Representatives are amended to provide otherwise, the Delegate from the Northern Mariana Islands shall receive the same compensation, allowances, and benefits as a Member of the House of Representatives and shall be entitled to whatever privileges and immunities are, or hereafter may be, granted to the Delegate from Guam to the House of Representatives.

''(c) ELECTION OF DELEGATE.—The Delegate from the Northern Mariana Islands shall be elected, but not appointed, as authorized by section 901 of the foregoing Covenant and the Constitution and laws of the Northern Mariana Islands so long as such authorization complies with the Federal election criteria for, and provides for elections in sequence with, the election of other Delegates to the House of Representatives.

''(d) VACANCY.—In case of a permanent vacancy in the office of Delegate, by reason of death, resignation, or permanent disability, the office of Delegate shall remain vacant until a successor is elected and qualified.

''(e) LACK OF EFFECT ON COVENANT.—This section shall not be construed to alter, amend, or abrogate any provision, other than section 901, of the foregoing Covenant.''.

RECOGNIZING MEMBERS OF THE NEWS MEDIA

HON. JAY KIM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1996

Mr. KIM. Mr. Speaker, I rise today to recognize the accomplishments and achievements of several members of the news media in my district. I have the distinct advantage of representing a district of California that is served by reporters who not only respect a difference of opinion, but who feel an obligation to make their readers aware of both sides of an issue.

Recently, several of these journalists, and the newspaper for which they write, were recognized for their uncompromised integrity and journalistic ability, something that far too frequently goes unrecognized in today's tabloid, sensational news environment. Gannett newspapers has chosen to recognize the best of its organization and I would like to second their selection of Mr. Arnold Garson and the San Bernardino County Sun as being the Best of Gannett in 1995.

The Sun took a gold medal for outstanding achievement and news performance, while Mr. Garson was honored as one of the Editors of the Year. In addition, reporters Michael Diamond, M.S. Enkoji, Cassie MacDuff, Mark Muckenfuss, John Whitehair, and Mark Zaleski were all recognized for excellence in news reporting. As a public figure, and I'm sure many of my colleagues in Congress would agree, I do not readily give praise to members of the press, but having read the Sun for these many years, I can say that the Sun has maintained the type of professionalism and commitment to accurate news reporting that make it deserving of these awards.

DEPARTURE OF LINCOLN UNIVERSITY PRESIDENT WENDELL RAYBURN

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1996

Mr. SKELTON. Mr. Speaker, today I pay tribute Wendell Rayburn, president of Lincoln University, who will be leaving after 8½ years of service. A leader in education in our State, President Rayburn has also been active in the community of Jefferson City. His most important achievement has been his commitment to greater stress on scholarship and academics. President Rayburn successfully led Lincoln University from its budget deficit and put it on a solid fiscal basis.

Further, his leadership led to new construction and higher level of maintenance. Dormitories were renovated and a new library was completed. Also he introduced new technology into the classroom. Wendell Rayburn's leadership and commitment to excellence will be missed.

WASHINGTON WONDERLAND

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1996

Mr. JACOBS. Mr. Speaker, the eloquence and penetrating logic of the Taxpayers Unions' Sid Taylor graces the CONGRESSIONAL RECORD once again.

MONEY, SYSTEMS AND YOUR HEALTH

(By Sid Taylor)

About 2,000 years ago, Jesus Christ chased the money changers out of the Temple. Today, they're back.

This time, and in our Space Age temple of finance and fiscal systems, the money changers have computers, satellite communications networks and instant money transfer. With a national debt now around $5.5 trillion—I have the feeling that our American temple of democracy is about to experience Fiscal Shock.

Our American capitalistic system is now running on ''funny money''. A government can do this for so long and then the law of

''supply and demand'' begins to move in. When you print about 5 trillion paper dollars, the excess supply of these bills begins to degrade the value of this kind of unfunded currency.

The future problem of American citizens today is not that the stock market might collapse. It probably won't. There's too much ''funny money'' now in circulation that's holding it up. The real problem is not an unexpected decline in the value of American stocks, but rather a decline in the value of the American ''dollar'' itself. The dollar is the Common Stock in USA Incorporated a national business that now has about 255 million citizen/taxpayer shareholders. I'm one of them.

As a student of history, I feel that the shekel of ancient days and our Space Age American dollar may have much in common. With federal budget deficits in the $164 billion a year range, and interest alone on the national debt now heading for around $344 billion a year, this is what I mean by Fiscal Shock. We're being strangled by red tape and drowning in red ink.

Shakespeare wrote ''All the world's a stage, and all the men and women are merely players.'' Right? No, wrong. He lived in the Elizabethan era, not today's high-tech Space Age. All the world's a system, and all the men and women are merely subsystems, activators, linkages or controls.

The current battle in Congress over reform of our $1 trillion dollar national health care ''system'' illustrates the point.

This system is so big and complicated I feel that if we taxpayers, the White House and Congress aren't careful we may unwittingly legislate ourselves a medical ''Tower of Babel''. The keyword is complexity. In computer software, for example, W. Wayt Gibbs, staff writer for the Scientific American has pointed out: ''When a system becomes so complex that no one manager can comprehend the entirety, traditional development processes break down.'' He also adds ''The challenge of complexity is not only large but also growing.''

Can you imagine the complexity problem that we American taxpayers are about to face in reforming our trillion dollar national health care system? We're going to need wits and wisdom. This is why I keep preaching that what this country needs is not a good 5-cent cigar, but rather a large dose of System Simplification (SYSIM) in the planning, design and operation of many of our billion (or trillion) dollar federal programs or networks.

Your life, liberty and the pursuit of happiness will be affected by the final design of the national health care SYSTEM. At the least, it's going to affect your health and your taxes. And on the subject of abortion, it's even going to involve a religious issue. This is what I mean by complexity. The Devil hides in red tape, red lights and red ink. Or to put it another way, delays, defects and deficits can create ''hell'' in any big system or network.

The message? Simplify, simp, sim, s.

P.S. COLA–Indexation of federal pay scales, pension rates, Social Security and other government entitlements is, in my opinion, a form of fiscal cancer that eventually consumes the entire economic body. It started around 1972. It's now time to UN-COLA our federal fiscal system.

NO TO BILINGUAL BALLOTS

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1996

Mr. ROTH. Mr. Speaker, today this body scored an important victory in the battle to keep America one Nation, one people. This afternoon, the House Judiciary Committee passed legislation that repeals the Federal mandate for bilingual voting ballots.

In the spirit of so-called ''multiculturalism'', the Federal Government has mandated since 1965 that voting ballots and materials be printed in dozens of languages other than English.

Today, some 375 voting districts across the country are required to print ballots in foreign languages. In a classic example of an unfunded Federal mandate, politicians in Washington force States and localities to provide multilingual ballots without providing any money to pay for them.

The legislation that created this mandate is the Voting Rights Act of 1965. Under this law, counties must provide multilingual voting information and ballots in the language of any minority group with more than 10,000 eligible voters in the county.

In theory, these services should not be needed at all. Voting rights are extended to citizens of this country, and one needs to demonstrate some fluency in English to become a U.S. citizen. In practice, this requirement for citizenship is often unenforced, but that doesn't change the facts: by law, English is a requirement for citizenship in this country. We should not be providing Government services in direct contradiction with the spirit, if not the letter, of this requirement.

Moreover, these services are expensive and unnecessary. It might surprise supporters of multilingual ballots to know that very few people actually request such special treatment. By and large, multilingual ballots are rarely requested and even less often used, even when they are provided. That is what makes their costs to the local taxpayers all the more shocking.

Election officials in Alameda County, CA told me recently that they spent almost $100,000 to produce ballots in Spanish and Chinese for the entire county, yet only 900 were ultimately requested. We can all do the math: The taxpayers of Alameda county spent over $100 for every multilingual ballot that was actually used in their June 1994 election.

This appears to be a trend. The last election in Los Angeles saw ballots printed in 6 languages other than English, among them Spanish, Chinese, Japanese, Vietnamese, Tagalog, and Korean. It cost the city government over $125,000 to prepare the materials, and yet only 927 ballots were used. Los Angeles spent over $135 for each voter the city helped.

Even small communities are not immune. Long Beach spent a relatively modest $6,200 preparing multilingual materials for its eligible voters. When only 22 requests came in, the township had spent over $280 per multilingual voter. As a frustrated election official told me recently, ''this is a lot of money to help a few people.'' That official could not be more right.

These ballots have other, more serious costs associated with them. Providing these special services creates the fiction that newcomers to this country can enjoy the full benefits of citizenship without learning the language of the land—English. We know this is not true. How can a citizen cast an informed ballot in a foreign language when most candidate platforms, stump speeches, and media coverage are in English? Exercising one's rights of citizenship involves more than just casting a vote; it means making a thoughtful decision regarding an issue or a candidate. Multilingual voting ballots give individuals the right to vote without granting the power to cast an informed vote.

The logical extent of the argument behind multilingual ballots is to provide these services in all of the languages spoken in this country. After all, why should we privilege one linguistic minority over another? And shouldn't we provide news reports and election coverage in all these languages, so that these citizens have access to all of the information they need to vote?

The simple and obvious answer is that we can't, my friends. There are 327 languages spoken in the United States today, and we can't provide these services in all of these languages. What's more, we should not. It should not be the Government's responsibility to perform these tasks. Government is too big, and it costs too much. Government should not provide services that individuals or private groups can perform just as well.

It's time that citizens look more to themselves and to their communities and less to Government for the answers to these problems. Spouses, families, friends, and community groups should bridge the gap if voting materials need to be translated. It can be done informally, as when a grandson translates an election flyer for a grandmother who speaks little English. Or it can be done more formally, through privately-funded groups that perform these services for an entire ethnic community. But the lesson to be drawn is that Government is not always the answer. In this case, Government is the problem.

Mr. Speaker, multilingual ballots and voting materials are unnecessary and inexpensive. Moreover, they fall outside the realm of Government's traditional responsibilities. Multilingual ballots are another vestige of the 1960's obsession with the Great Society and the caretaker state. This vision of Government is bankrupt, and we must dismantle the legislative relics of that era. I commend Chairman HYDE and the Judiciary Committee for their wisdom in the taking the first important step in that direction. I urge my colleagues to support this bill when it comes to the House floor.

A TRIBUTE TO DR. C. KUMAR N. PATEL

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1996

Mr. LEWIS of California. Mr. Speaker, I would like to bring to your attention the fine work and outstanding achievements of Dr. C. Kumar N. Patel, the vice chancellor of research and a professor of physics, chemistry, and electrical engineering at UCLA. Dr. Patel has been awarded the 1996 National Medal of Science, America's highest scientific honor, by President Clinton.

The National Medal of Science recognizes Dr. Patel's leadership and innovative contributions to science for the betterment of society.

In announcing his selection, the White House noted Patel's invention of the carbon dioxide laser, which the White House described as a ''major scientific and technological breakthrough which continues to be an important tool in manufacturing, medical treatment, scientific investigations, and materials processing.''

Dr. Patel, who holds 35 major scientific patents, came to UCLA after 32 years at AT&T Bell Laboratories. Among his many achievements, he has made significant research contributions in the fields of gas lasers, nonlinear optics, molecular spectroscopy, pollution detection, and laser surgery. He maintains active research in the spectroscopy of highly transparent liquids and soils, and surgical, medical, and industrial applications of carbon dioxide and other high power gas lasers.

After beginning his career at AT&T Bell Laboratories in 1961, Dr. Patel became head of the Bell Laboratories Infrared Physics and Electronics Research Department in 1967 and director of the Electronics Research Laboratory in 1970. He became director of the Physical Research Laboratory in 1976, and executive director of the Research, Physics, and Academic Affairs Division in 1981. In 1987, he became executive director of the Research, Materials Science, Engineering, and Academic Affairs Division. Dr. Patel came to UCLA in 1992 and was touted by the UCLA search committee as ''one of the most extraordinary scientists in America.''

Mr. Speaker, I ask that you join me and our colleagues in congratulating Dr. Patel for his leadership and commitment to the advancement of science. It is only fitting that the House pay tribute to this outstanding National Medal of Science recipient.

PERSONAL EXPLANATION

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1996

Mr. CLINGER. Mr. Speaker, on Monday, July 22, I was unavoidably detained and missed rollcall vote 334.

Had I been present, I would have voted ''aye'' on rollcall vote 334 during consideration of H.R. 3845, a bill making appropriations for the District of Columbia for fiscal year 1997.

NATIONAL GAMBLING IMPACT AND POLICY COMMISSION ACT

SPEECH OF

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1996

Mr. LaFALCE. Mr. Speaker, I rise in support of the Senate version of H.R. 497, the National Gambling Impact and Policy Commission Act. The bill includes several provisions that are less satisfactory than the bill I coauthored with Representative FRANK WOLF that passed the House in March. However, I believe it is imperative that we act now to initiate a comprehensive study of gambling and its impact on our society.

The legislation before us today addresses issues and concerns that I have sought to bring to the attention of Congress since 1994. As chairman of the Committee on Small Business, I conducted hearings in September 1994, that documented the rapid proliferation of casino gambling throughout the United States and examined the economic impact of Government-sponsored gambling on small businesses, on individual communities, and on the Nation as a whole.

Based on the findings of these hearings, I introduced the National Policies Toward Gambling Review Act in November 1994 to authorize a Federal study of the economic and social implications of this widespread growth of legalized gambling. This proposal, like that subsequently introduced by Mr. WOLF, creates a new national commission, along the lines of the commission that last studied gambling in 1976, and expands its study to all aspects of gambling in all States and localities. While I have reintroduced my bill in the current Congress, H.R. 462, I am also the lead cosponsor of H.R. 497.

The 1994 Small Business Committee hearings convinced me that widespread legalized gambling has raised serious questions that local officials, and American society generally, were not prepared to address. The hearings confirmed what a New York Times article headline had proclaimed several weeks earlier, that ''Gambling Is Now Bigger Than Baseball'' as a national pastime. Some 125 million people visited casinos in 1994, a whopping 36-percent increase from 92 million in 1993. Average annual attendance to professional baseball games barely reached 70 million. Casino revenues increase by a whopping 33 percent between 1993 and 1994, from $30 billion to $40 billion, more than the combined revenues for other major leisure activities, including movies, books, recorded music, spectator sports, theme parks, and arcades.

Americans wagered $462 billion on all forms of legalized gambling in 1994, more than the entire gross national product of Communist China. More than $360 billion was wagered in casinos in 10 States and on Indian reservations in 24 States, most of which were built since 1991. All but three States now permit parimutuel betting, slot machines, video poker, keno, bingo, or other forms of gambling. And 36 States actively encourage gambling with government-run lotteries.

This is a far different situation than when the national commission issued its report on gambling in 1976. Legalized gambling was then confined to Nevada and under consideration for Atlantic City. The focus of the commission's study was the influence of organized crime in gambling, not the various economic and social implications of widespread gambling throughout the country.

As gambling has spread across the United States, and even to locations on our border with Canada, it has become clear that the promised benefits of gambling as an approach for local economic development have proven to be illusory. States and localities now compete with Indian reservations and with other States to lure potential gamblers, or only to keep their gambling revenues at home. Casinos that were touted as bringing jobs and economic enrichment to communities in 1994 are now going bankrupt.

The social costs of gambling also are becoming more visible as gambling spreads to more locations. Unfortunately, we have no estimates, for example, of the costs of gambling-related crimes, bankruptcies, or lost jobs and work time. Nor do we know the costs inflicted on families in terms of gambling-related alcoholism, divorce, or suicide.

As State and Federal funding for social services and other programs continue to decline, local officials will come under even greater pressure to heed promises of new revenue and greater prosperity in legalized gambling. It is imperative that these officials, and the public generally, have all the information available to make reasoned and prudent policy decisions.

Contrary to the arguments of some in the gambling industry, the bill before us today does not seek to restrict or regulate organized gambling, nor is it intended as a preliminary step toward such regulation. It merely responds to a growing public demand for more and better information about gambling. And it responds to requests by officials in New York and elsewhere for a broad analysis of the impact of gambling that can incorporate information from all States and from Indian tribal jurisdictions.

I believe the bill before us today can provide the information the public needs to make more informed decisions about gambling. It is clearly not perfect. The subpoena authority in the Senate version applies only to documents, not individuals. And the wording of that authority is, at best, ambiguous. I am troubled also by the restrictions the bill would impose on the use of information generated by the commission, particularly the release of financial information to the public.

However, the need for more comprehensive information and analysis of gambling is urgent in my State of New York and in other States. The commission bill before us, while not perfect, will provide significantly more information about the economic and social implications of gambling than is available today.

Nearly 2 years have passed since I first proposed legislation to create a national commission to study gambling. It was needed then, it is imperative now. I urge adoption of this important legislation.

CONGRATULATIONS TO JOSEPH O'BRIEN

HON. JOSEPH P. KENNEDY II

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1996

Mr. KENNEDY of Massachusetts. Mr. Speaker, I rise today to pay tribute to Joseph P. O'Brien for cycling 3,800 miles to support the National Scoliosis Foundation research to find a cure for scoliosis. I would also like to congratulate the foundation itself for its 20 years of service to the scoliosis community.

Over the years this foundation has earned recognition and enormous respect for its dedication to educate and support the scoliosis community and its ongoing research to find a cure. Joe is both the president and CEO of the National Scoliosis Foundation. Through a football injury in high school, 1966, it was discovered that Joe had scoliosis. However at the age of 16 his condition had progressed so that it was necessary that he undergo two spinal surgeries. He spent 12 months of his life in a hospital, 11 of which were in a body cast. This ailment had a profound effect on Joe

where he dealt with his physical deformity and was considered handicapped. Twelve years later Joe needed a third spinal surgery when his lower back started to twist and curve which split his original fusion. Joe decided to cycle a 3,800 mile journey, ''cycling for the cause'', from San Francisco, CA to Boston, MA, to create awareness about scoliosis and reach out to the 6 million people in the United States affected with it. He began his trip June 2, 1996 in spite of his three spinal fusion. Joe saw this as an opportunity to create awareness about scoliosis and reach out to the 6 million people in the United States affected with it. Joe, also sees this trip as a way to commemorate the 20th anniversary of the National Scoliosis Foundation and the 30th year of his first scoliosis surgery. The Foundation [NSF] should be commended for its efforts to help raise funds for supporting research into the cause and treatment of scoliosis.

Mr. Speaker, Joseph O'Brien is an outstanding individual and I know you will join me in congratulating him for his contribution to find a cure for scoliosis and other spinal deformities.

CLIFTON PARK ELKS LODGE CELEBRATES 25TH ANNIVERSARY

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1996

Mr. SOLOMON. Mr. Speaker, I wanted to take this time to commend the good people who make up the Clifton Park Lodge of the Benevolent and Protective Order of Elks. This month, they are celebrating 25 years of existence in the Clifton Park area.

But Mr. Speaker, they have done more than just exist during the past quarter century. In fact, the membership in Elks Lodge No. 2466 has soared to an incredible 600 members. But aside from that, over the coarse of the years, the members of this lodge have made great strides in expanding and improving their facilities, thus being able to attract and secure more and more of their neighbors in the area as brother Elks. They have added a pavilion to host topnotch outdoor events and gatherings, a softball field and now, they have opened a new, larger lodge.

Mr. Speaker, the members of the Clifton Park Elks Lodge have a great deal for which to be proud considering all that they have accomplished in their relatively brief history. And as a brother Elk myself, I can't tell you how proud I personally am of their achievements. That's because, every time the Elks grow in numbers, that means there is another patriot out there to promote pride, patriotism, and citizenship among our fellow Americans. I can't say enough about how much this organization and the members like those from Clifton Park in my congressional district do on behalf of flag, country, and community. In fact, Mr. Speaker, it is the Elks who raise awareness of our flag and remind us what it means to America. I'm proud to say the Elks stood by my side as part of the Citizens Flag Alliance and lent their support to my constitutional amendment to prohibit the physical destruction of our flag. As you know, that measure was overwhelmingly approved here in the House, and failed by just three votes in the Senate. But I know with the support of lodges like those in Clifton Park and the more than 1.2 million Elks around the country that the fight to protect Old Glory is not over.

Mr. Speaker, we all owe a tremendous debt of gratitude to organizations like the Elks and lodges like No. 2466. Their activities act as a constant reminder to all of us of our roots and what it took to get our great Nation where we are today. For that Mr. Speaker, I ask that you and all Members of the House join me in paying tribute to the Clifton Parks Elks Lodge and all they've accomplished.

TRIBUTE TO CAPTAIN JOHN WILLIAM KENNEDY

HON. JAMES P. MORAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1996

Mr. MORAN. Mr. Speaker, I rise today to pay tribute to a brave Virginian and proud member of the U.S. Air Force, who gave his life in service to his country. Capt. John William Kennedy known to his family and friends as Jack will complete his long awaited journey home to be laid to rest in Arlington Cemetery, Friday August 2, 1996.

Capt. John William Kennedy was lost while flying a visual reconnaissance mission in an O–2A over Quangtin Province of South Vietnam. Captain Kennedy was a forward air controller with the 20th Tactical Air Support Squadron based in Chu Lai, Vietnam in support of the 23d Infantry Division.

On August 16, 1971, radio contact was lost with Captain Kennedy's plane during normal radio communication check-in. There were no radio calls, no crash site found, and no eye witnesses. However, there were reports of a North Vietnamese regiment operating in the area. Captain Kennedy was listed as ''Missing in Action'' a status he carried until July of 1978, when the Air Force re-evaluated his status to ''Presumed Killed in Action.'' In May of this year, Captain Kennedy's family was contacted by the U.S. Air Force with a positive identification of Captain Kennedy's remains.

Born in Washington, DC, Captain Kennedy was raised in Arlington and graduated from Wakefield High School in 1965. He then went on to the prestigious Virginia Military Institute and graduated in 1969, with a degree in Civil Engineering. In 1969 he was named Southern Conference Wrestling Champion in the 160 pound weight class. He was cocaptain of the varsity wrestling and soccer teams, a member of the VMI Honor Court, inducted into the Who's Who in American Colleges and Universities and Kappa Alpha. In 1980, Captain Kennedy was inducted into the Virginia Military Institutes Sports Hall of Fame.

Captain Kennedy's military awards include the Distinguished Flying Cross, the Purple Heart, the Air Medal with two Oak Leaf Clusters, National Defense Service Medal, the Vietnam Service Medal, and the Republic of Vietnam Campaign Medal.

Captain Kennedy is survived by his mother Sally Chewning Kennedy of Lake Ridge, VA and his brother Daniel E. Kennedy, Jr. of Dumfries, VA.

I offer the heartfelt appreciation of all Americans to Captain Kennedy's family and hope that they find solace in knowing America appreciates the profound loss they have experienced and the turmoil they have been through in bringing Captain Kennedy home.

ARMSTRONG CABLE SERVICES DESERVES THANKS

HON. PHIL ENGLISH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1996

Mr. ENGLISH of Pennsylvania. Mr. Speaker, every year, for the past 5 years, a local company based in the 21st District of Pennsylvania, Armstrong Cable, has sponsored the Senior Classic Golf Tournament which has raised funds to help the people of the Meadville, PA, area. The tournament itself and the auction of autographed gold memorabilia has raised over $50,000 for charity. On August 8, the classic will tee off again.

The tournament demonstrates the good that individuals, businesses, and our communities can do when they join together to help those less fortunate than themselves. This year the tournament, at Oakland Beach Golf Course in Conneaut Lake, will benefit Habitat for Humanity, the READ Program, CASA—a child's advocate court program, the Meadville Public Library, the Martin Luther King, Jr., Scholarship Fund, and Meadville Community Theater. Armstrong is also supporting renovation of the community's historic Academy Theater.

I applaud Armstrong Cable Services for continuing the deep community involvement of its predecessor, Meadville Master Antenna, and I commend all of the individuals who will make this charitable function succeed. Joan Kocan, of Armstrong Cable Services, has tirelessly worked to host the tournament and to draft many generous corporate sponsors. She and the other Armstrong workers deserve our gratitude for volunteering during the entire function.

I hope my colleagues will join me in wishing success to the Armstrong Cable Senior Classic.

100TH ANNIVERSARY CELEBRATION OF CALVARY BAPTIST CHURCH

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1996

Mr. PALLONE. Mr. Speaker, on Sunday, July 28, Calvary Baptist Church of Belmar, NJ, will celebrate its 100th anniversary. The celebration will begin with a worship service Sunday morning, followed by a luncheon at the Belmar Elks Club.

Mr. Speaker, Calvary Baptist Church was founded on Christmas Day 1894 by a group of families who desired to worship together in the Baptist tradition. The official organization as a church was completed on July 1, 1896, and the first communion was held July 26 of that year. The original name was Memorial Baptist Church, and the building was originally erected at the corner of Main Street and 12th Avenue. In July 1925, the name was changed to Calvary Baptist Church and the building was moved to its present location at 13th Avenue and E Street. A Sunday school wing and fellowship hall were later added to the facility.

Several descendants of the original families still attend the church, while new families continue to join the church all the time. Under the leadership of the Reverend Grace I. Scarle, pastor of the church, Calvary Baptist seeks to be a community church, following the call in Ephesians 4:11-6 ''To prepare believers in Jesus Christ for works of service in His name.'' In that spirit, Calvary Baptist Church holds Sunday worship services in both the morning and the evening, Sunday school, vacation Bible school, and prayer and Bible study. The church also hosts a variety of community functions, including youth groups, Alcoholics Anonymous meetings and the Catacombs Coffee House, and provides a food pantry ministry for the community.

Mr. Speaker, on this occasion, it gives me great pride to offer my congratulations to Reverend Scarle and all the members of Calvary Baptist Church as they celebrate the 100th anniversary of this great center of spiritual strength and community service on the Jersey shore.

TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1997

SPEECH OF

HON. RONALD D. COLEMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1996

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 3756) making appropriations for the Treasury Department, the U.S. Postal Service, and Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1997, and for other purposes:

Mr. COLEMAN. Mr. Chairman, I rise today in opposition to the Treasury-Postal Appropriations Act for fiscal year 1997. As reported, the bill would throw over 2,000 Federal employees out of their jobs on October 1, 1997 and lead to the loss of several thousand more Federal jobs during fiscal year 1997 due to inadequate funding for the Internal Revenue Service. The measure also bans the use of a female employee's own funds appropriated in the bill to pay for insurance that would cover the termination of a pregnancy under the Federal employee health benefit programs.

The Treasury, Postal Service and general government appropriations bill provides funding for Federal Employees Health Benefits Program, the network of insurance plans that cover approximately nine million federal employees and their dependents. There are approximately 1.2 million women of reproductive age who rely on the FEHBP for their medical care.

According to the American Medical Association, funding restrictions that deter or delay women from seeking early abortions make it more likely that women will bear unwanted children, continue a potentially health-threatening pregnancy to term, or undergo abortion procedures that would endanger their health.

Further, while the subcommittee's 602(b) allocation was $100 million below the fiscal year 1996 level, the IRS was hit with a funding cut of $775 million below fiscal year 1996. It is important to underline the fact that the cuts in IRS funding will result in the deficit going up because less revenue will be collected.

My colleagues on the Subcommittee of Treasury, Postal Appropriations are concerned about the lack of results from IRS's efforts on the tax system modernization [TSM]. I concur TSM has many problems. They have had problems through three administrations. However, I disagree with the majority in trying to solve those problems by cutting funds from existing programs and mandating that the Department of Defense alone should handle finding the IRS a suitable new contractor to implement TSM.

Further, I disagree with the majority's restrictive TSM language and reduced funding levels for all of IRS, that would mandate the immediate elimination of as many as 7,500 positions throughout the agency.

Mr. Speaker, for these reasons, I urge my colleagues to vote ''no'' on the Treasury-Postal Appropriations Act for fiscal year 1997.

SEVERANCE PAYMENTS TO AID PERSONNEL WHO VOLUNTARILY RESIGN

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1996

Mr. GILMAN. Mr. Speaker, today I am pleased to introduce H.R. 3870, to authorize severance payments to AID personnel who voluntarily resign.

I am introducing this bill at the request of the administration to allow AID to offer up to 100 employees, who voluntarily resign, severance payments up to a cap of $25,000. In the Foreign Service employees are entitled 1 month severance per year of service. Civil Service employees are entitled to 1 week severance per year of service.

Over the past few years, AID personnel reduced in size from approximately 11,000 to 8,000 employees mainly using hiring freezes that cause AID to lose at least 120 employees per year. Due to further cuts in the President's fiscal year budget request, AID had to accelerate the reductions and is currently in the process of laying off 200 employees by conducting a formal reduction in force [RIF] of 97 Foreign Service and 103 Civil Service employees.

Rather than layoff all 200 employees, AID would like to offer up to 100 employees who voluntarily resign—and are not already eligible to retire—the opportunity to receive the severance payment they would have received if they had been laid off, up to a cap of $25,000. In this way, AID hopes to have 100 volunteers take the place of at least half of those people scheduled to be laid off.

This bill is supported by the administration, the American Foreign Service Association, the chairman of the House Government Reform Subcommittee on Civil Service, JOHN L. MICA, and the Senate chairman of the Government Affairs Committee, TED STEVENS. I urge Members to support this measure.

TRIBUTE TO THE CITY OF ARNOLD, PA

HON. RON KLINK

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1996

Mr. KLINK. Mr. Speaker, I rise today to congratulate the city of Arnold, PA, on its 100th anniversary. The land upon which Arnold currently rests was first settled by Maj. Andrew Arnold. Major Arnold, an Army veteran of the Black Hawk War, served for more than 20 years, and for a short period in 1832, served under the command of then Capt. Abraham Lincoln.

With his military career behind him, Major Arnold moved to western Pennsylvania in 1852. Here he was the first settler to inhabit the land that would be incorporated in 1896 and named in his honor.

Fueled by a strong glass industry in the region, Arnold grew from its humble beginnings as a solitary train station to its current population of 6,200. With the establishment of the Chambers Glass Co. in 1891, and the skill of the Arnold employees, the city of Arnold became one of the premier glassmaking centers in the United States. Arnold's success in the industry earned the city its current nickname, ''Glass City.''

Under the leadership of Mayor William DeMao, Arnold's mayor since 1964, Arnold continues to serve as a glowing example of an optimistic American town looking forward to another successful century. So today, Mr. Speaker, I join with all my colleagues in the House in congratulating Arnold on the momentous occasion of its 100th anniversary.

CYPRUS HAS SUFFERED FOR 22 YEARS

HON. BOB FILNER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1996

Mr. FILNER. Mr. Speaker, I rise today to join my colleagues in commemorating a tragic event—Turkey's military invasion of the Republic of Cyprus in July 1974. But I think we all agree that the even greater tragedy is the fact that 21 years later, Turkey's illegal occupation of northern Cyprus remains in place and the suffering of the people of Cyprus continues.

Driven from their homes and villages, brutalized, and denied information as to the fate of over 1,600 loved ones missing since the invasion, the people of Cyprus have patiently cooperated with international negotiators—for 21 years—in the hopes of securing a peaceful coexistence.

Mr. Speaker, Greek-Americans in San Diego and across the United States also share in the agony created by the occupation of Cyprus. They agonize about missing friends and family, the destruction of the Greek Cypriot culture and the denial of access to ancestral homelands now occupied by the Turkish army. These people have suffered too long!

And so, together with the Greek-American community, I urge Congress and the administration to adopt a far more active role in pressing the Turkish Government to withdraw its

troops from Cyprus, end the human rights abuses there and provide a full accounting of those who are missing.

It's time we let Turkey know that a peaceful resolution to this crisis is tragically overdue.

ISTEA REAUTHORIZATION AND THE FALLACY OF THE STEP 21 PROPOSAL

HON. NICK J. RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1996

Mr. RAHALL. Mr. Speaker, the Subcommittee on Surface Transportation has been holding a series of hearings on the reauthorization of the Federal Highway and Transit Programs as embodied in the Intermodal Surface Transportation Efficiency Act of 1991 [ISTEA], which expires at the end of fiscal year 1997.

One of the most contentious issues raised so far involves the formula by which Federal highway funds are distributed to the States. Since the inception of modern Federal Highway Program in 1956 when the Highway Trust Fund was established, there have always been some States which contribute more into the Fund than they receive back, known as donor States, and others which receive back more than contributed, known as donee States. This arrangement is necessary because a national highway system simply cannot be constructed and maintained without it.

In this regard, there are basically two delivery mechanisms through which Federal highway money is distributed to the States: Funds are either apportioned or allocated. Apportioned funds are divvied out by formula, and each State is assured of a minimum 90 percent return on the amount of its estimated contributions to the Highway Trust Fund.

It is important to note that out of all of the Federal highway funds available to States in a given year, the vast majority—89 percent—are apportioned by formula for such major programs as the NHS, Interstate Maintenance, the Surface Transportation Program and the Bridge Program.

Allocated funds, on the other hand, are discretionary in nature. Allocated funding categories include such items as the Bridge Discretionary Program and the Interstate Maintenance Discretionary Program. These monies, which only account for 11 percent of the amount of Federal highway funds available to the States, are primarily allocated on a needs basis.

A group of donor States, however, are seeking to change the existing highway funding distribution formula. Their basic contention is that while they receive back 90 percent of apportioned funds, when the discretionary (allocated) funds are taken into account they allege that they often receive back less than 90 percent of their contributions to the Highway Trust Fund. These States, which have organized as the step 21 coalition, are seeking a number of changes in ISTEA, including a new formula that assures them a 95-percent return on payments made to the Highway Trust Fund.

It should be noted, however, that the step 21 proposed formula for distributing funds to the States is based on using a percentage of a percentage. In other words, each State would receive 95 percent of its share of contributions to the Highway Trust Fund without requiring that the total amount distributed in a given year equal the total amount received. Shades of voodoo economics. Of course the step 21 formula paints such a rosy picture for donor States. It is premised upon a formula which has as an assumption that more money could be paid out than received into the Highway Trust Fund.

The more appropriate and fiscally prudent way of measuring how each State is faring under the Federal highway program is to calculate the ratio of its payments to the Highway Trust Fund against what it receives. This is the method that has traditionally been used and is the most widely accepted.

Recently, the Federal Highway Administration calculated the amount each State has received compared to its contributions under ISTEA to date, fiscal years 1992 through 1995. It is interesting to note that of the 22 States who are members of step 21, only two, Georgia and South Carolina, received back less than 90 cents on the dollar contributed to the Highway Trust Fund.

Morever, seven step 21 coalition States received back a dollar or more on each dollar contributed: Arizona, Minnesota, Nebraska, Ohio, Oregon, Virginia, and Wisconsin. And another six step 21 coalition States—Louisiana, Michigan, Mississippi, Missouri, North Carolina and Oklahoma—are receiving back between 95 cents and 99 cents on the dollar. The other 7 States all received at least 90 cents on the dollar. These calculations, it should be noted, include returns with the discretionary accounts factored in.

It seems to me, then, that the only step 21 coalition States who have a bona fide beef with the current highway funds distribution formula are Georgia and South Carolina.

If you believe that there is still a national interest in the highways of this country—the Interstate System and the new National Highway System—then the step 21 proposal poses some danger to the integrity of that system.

Not only is the step 21 formula based on unrealistic assumptions, but it would deprive the ability of the Nation to construct the new high-priority corridors authorized by ISTEA as part of the National Highway System as well as other NHS routes of an interstate nature. Simply put, under step 21, there would not be funds available to construct and maintain roads of an interstate nature, highways of a national interest, as well as to fulfill other Federal obligations, such as building and improving roads in units of our National Park System.

I would urge all of my colleagues to consider these facts when deliberating the reauthorization of ISTEA.