

workers compensation insurance, withholding income taxes and providing benefits such as vacation, sick and family leave, health and life insurance, pensions, and so forth. Most employers are honest, but the law-abiding employer is put at a serious disadvantage since he or she cannot compete on a level playing field with those who illegally cut their labor costs by misclassifying workers. Law-abiding employers will not be able to compete fairly until we provide more clear, objective standards by which businesses and the Government can determine whether an individual is an employee or an independent contractor.

Mr. Speaker, employers who have unintentionally misclassified workers should be given the incentive to come into compliance. Our legislation offers a 1-year amnesty to employers who have misclassified workers on the basis of a good faith interpretation of common law or of section 503. This provision removes the devastating possibility of large assessments for back taxes, interest and penalties and insures compliance in the future.

Misclassification can also have a devastating effect on the unsuspecting worker. As a contractor, he or she may receive a higher take-home pay and may be allowed to deduct more business expenses from income taxes. But the loss of financial benefits and of the many protections which are provided to employees can be catastrophic in cases of illness, unemployment and retirement. For example, there is no unemployment compensation for the independent contractor to fall back on between jobs. Health insurance is an individual responsibility and is usually far more costly than an employer's group policy. In the case of work-related injury or illness, there is no worker's compensation available. Our legislation would require prime contractors to notify legitimate independent contractors of all their tax obligations and other statutory rights and protections.

Mr. Speaker, as you know, many Federal entitlement programs hinge on the number employees that an employer has on its books. Thus, misclassifying employees as independent contractors also can enable employers to either escape responsibility for, or allow their workers to fall within coverage of, these entitlement programs. For example, the Health Insurance Portability Act of 1996 contains a much-heralded provision allowing medical savings accounts [MSA's]. However, MSA's are not available to an employee unless that employee works for a small employer, which is defined as an employer which employed 50 or fewer employees during either of the preceding calendar years. Additionally, the Health Insurance Portability and Accountability Act only allows a total of 750,000 taxpayers to have an MSA. Under liberal worker classification proposals, it would not be at all difficult for a dishonest employer with 60 employees to reclassify 10 of them as independent contractors so that the business now qualifies as a small employer. Moreover, by doing so, this type of dishonest employer may end up causing the 750,000 MSA participant ceiling to be reached much sooner than it otherwise would be, thereby bumping out of the MSA Program employees in other small businesses who lawfully would be entitled to their own MSA's. H.R. 771 would eliminate such distortion of the system by dishonest employers.

Last, Mr. Speaker, billions of dollars in Federal and State tax revenues are being lost as

a result of the intentional misclassification of workers. This is one of the few remaining areas where we can help reduce the Federal budget deficit without further cutting Government services or levying new taxes. A recent Coopers and Lybrand study found that at least \$35 billion in legitimate tax revenue over the next 9 years will be lost by the Federal Government due to the misclassification of employees. At a time when critical services are on the chopping block, we can no longer allow this waste and abuse to continue. We must take steps to curb the continued misclassification of employees.

The advantages of our legislation over more lax worker classification proposals are clear. Our legislation would clarify existing law, while other worker classification proposals seek a radical change to the worker classification principles that businesses have operated under to date. Our legislation would create a level playing field, while other worker classification proposals actually encourage unfair competition between employers and dishonest employers to cheat millions of unsuspecting workers out of employee benefits. Finally, our legislation would save the Federal Government billions of dollars in lost revenues, while other worker classification proposals would cost the Government billions more in lost tax revenues.

Mr. Speaker, misclassification, and especially intentional misclassification, has continued as a festering problem in this country for too long, and it is time for Congress to finally do something about it. I urge my colleagues to support the Misclassification of Employees Act.

TRIBUTE TO RUSSELL SWINDELL

HON. BOB ETHERIDGE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1997

Mr. ETHERIDGE. Mr. Speaker, I rise today to mark the passing of a great North Carolinian. Russell Swindell served his State and its people in many capacities during his 90 years, and he will surely be missed by all.

Russell Swindell was born in Swan Quarter, NC, and represented Hyde County in the North Carolina House from 1951 to 1955. He loved to spend time outdoors, and was a long-time member of the First United Methodist Church in Cary.

But his greatest accomplishment, and the one that has undoubtedly impacted the lives of countless North Carolinians, was his help in creating the State's community college system.

Mr. Speaker, there is a lot of talk these days in our Nation's Capital and throughout this country about the value and importance of a quality education. Russell Swindell knew that long ago, and with his help and hard work, North Carolina set up a quality community college system that educates our young people and provides necessary training for workers still today. His vision helped thousands receive an education and vocational skills that has allowed them a brighter future in our society.

After leaving his job with the State Department of Education, he maintained his interest in the community colleges during the 20 years he was the executive director of the North Carolina Railroad Association.

We are all thankful for his wisdom and vision and for the contributions he made to our lives.

I wish to pass on my condolences to those who survive him: His wife, Martha, his daughters Sue Martin and Mary Anne Brannon, and his son A.B. Swindell, and all his grandchildren.

DELAURO HONORS JEAN HANDLEY FOR HER WORK IN NEW HAVEN

HON. ROSA L. DELAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1997

Ms. DELAURO. Mr. Speaker, on Thursday, November 14, 1996, Columbus House will hold its annual benefit. This year the benefit is entitled "It's a Small World" and is honoring two people who have given so much of themselves and have brought so much to the city of New Haven; Jean Handley and Timothy Shriver. I have known Jean for many years and her life and work embodies the benefit theme of bringing the global community to the city of New Haven.

Jean's professional life has always kept her in close contact with the people of New Haven. From 1984 through 1989, Jean was the vice president of Personnel and Corporate Relations for Southern New England Telephone Co. However, nothing speaks to Jean's character more than her dedicated patronage of the arts. Jean has lent her support to a number of local artistic organizations. She is currently serving as vice president of the New Haven Symphony Orchestra and is on the Board of Long Wharf Theater and the Creative Arts Workshop. Of particular note however, is her part in the production of the first annual International Festival of Arts and Ideas in New Haven. The brainchild of Anne Calabresi, Jean was one of the original founders and key organizers. It was Jean who brought the festival to life and made it a reality that will continue for years. The festival was a truly unique event that exhibited a rich array of talent from storytelling and puppetry to experimental theater. Perhaps the greatest achievement of the festival was the way it showcased the city of New Haven.

Jean has continually focused on promoting art in New Haven while also importing great art into the city. This is one of her focuses in her capacity on the Board of the Creative Arts Workshop. Founded in 1960, the Creative Arts Workshop holds classes for children and adults in everything from pottery and painting to weaving. Every year the workshop sponsors a holiday show that features craftspeople from all over the country. Jean understands that the creative process must involve sharing and communication between artists and she strives to facilitate these exchanges. Never satisfied to be just a name on a committee, Jean has immersed herself in every endeavor she undertakes. She is currently on the Board of Long Wharf Theater and is involved in the search for a new artistic director. She is always looking forward to the future of every organization she patronizes and her vision, time, and talent are invaluable.

I am very proud to join Columbus House in honoring Jean Handley. Jean is committed to keeping the arts vital and allowing the artistic

process to continue to flower in New Haven. Jean is keenly aware that New Haven is nothing without a strong and active artistic community and she has done everything possible to allow that community to thrive. Her work reminds us all that we have an obligation to support the arts and to make art accessible to everyone. She has truly brought the world to New Haven and in doing so has enriched the lives of everyone who participates in or enjoys the arts.

SUPPORT OF ALEXIS HERMAN FOR SECRETARY OF LABOR

HON. EARL F. HILLIARD

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1997

Mr. HILLIARD. Mr. Speaker, I rise today to bring to the attention of this Nation, a recent editorial I read in the largest Spanish-American newspaper in the Americas. *Diario Las Americas*, in their February 27, 1997, edition, called for the confirmation of Ms. Alexis Herman as our next Secretary of Labor. I must agree wholeheartedly with its endorsement, and call on the Senate to confirm her, expeditiously.

As the newspaper points out, Alexis Herman has a lifetime of positive public service, which highlights her efforts to improve the progress and lives of women, African-Americans, and Hispanic-Americans. As the President's Assistant and Director of the Office of Public Liaison, she has shown us her savvy, expertise, and experience. I am also proud to say that she is a native of one of the finest States in the Union, Alabama.

The Senate Republican leader, Senator TRENT LOTT has endorsed her nomination after a series of meetings with Ms. Herman. With this fact taken into consideration, I can't think of any legitimate reason why the Senate can't complete its committee process and bring Ms. Herman's nomination to the floor for a vote. I am confident, that once the whole Senate reviews the record of Alexis Herman, they will confirm her.

Mr. Speaker, I request that the whole text of the newspaper endorsement which I mentioned, be placed in the RECORD.

[From the *Diario Las Americas*, Feb. 27, 1997]
ALEXIS HERMAN FOR SECRETARY OF LABOR OF THE UNITED STATES

The nomination by President Clinton of Alexis Herman for Secretary of Labor of the United States is the recognition of her professional, humanitarian and civic merits, proven by her intense public service career which began as Coordinator of the crusade to train and find jobs for youths sponsored by the Catholic Church in Mobile, Alabama, and most recently as Director of the Office of Public Liaison of the White House and Special Assistant to the President.

Her life in public service has engaged her, after graduating from Xavier University, in a rich and varied number of activities devoted to the professional betterment of Afro-American women, succeeding in her efforts as Director of the Black Women's Employment Program to have companies such as Coca-Cola and Delta appoint Afro-American women to high ranking positions.

In her efforts to improve women's progress in the work and entrepreneurial ranks she has constantly maintained the principle that

the Hispanic minority must be recognized as a vital part of progress in the United States, offering her enthusiastic support to the programs sponsored by the Hispanic Catholic Centers of the Washington Archdiocese. Mrs. Herman has been the main line of communication between His Eminence James Cardinal Hickey and President Clinton for issues having to do with the development of vital social programs for Hispanic and Afro-American minorities.

At the time of the crisis brought about by the assassination of the four "Brothers to the Rescue" pilots by the totalitarian tyranny of Fidel Castro in February 1996, from her post in the Office of Public Liaison of the White House she collaborated with then UN Ambassador Madeleine K. Albright, and others, in the formulation of President Clinton's policy in reprisal to that attack.

Alexis Herman has enough merits as a woman, as a prominent member of the Afro-American minority and as a professional, to be confirmed by the Senate as Secretary of Labor. This would be good for the whole country. The Senate's Republican leader Trent Lott has said that he will support the nomination and *DIARIO LAS AMERICAS* considers that the Senate should approve it as soon as possible.

WILL AN AMERICAN "TOMMY" PLEASE STAND?

HON. ZOE LOFGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1997

Ms. LOFGREN. Mr. Speaker, Tom Harney, an attorney in San Jose, CA, has written a thought-provoking article in a recent edition of *Stars and Stripes* which concerns the debt we owe our veterans and soldiers. For those who do not regularly receive *Stars and Stripes*, I wish to make this useful article available.

[From the *Stars and Stripes*, Jan. 26, 1997]

WILL AN AMERICAN "TOMMY" PLEASE STAND?
(By Thomas Roy Harney)

Rudyard Kipling's poem "Tommy" rose from the depths of my so-called brain recently, triggered and recalled from those depths by the print-media news.

Tommy, a lawyer's guide to veterans affairs, is the name of the quarterly newsletter published by the Veterans Law Section of the Federal Bar Association, but I had somehow previously failed to make the obvious connection between the poem and the newsletter.

The poem "Tommy" is from a different time, 1892; a different country, Great Britain; and almost a different language, English Cockney; yet it is right on point concerning American veterans and all Americans today.

"Tommy Atkins" or "Tommy" is the British equivalent of the American GI (e.g., Bill Mauldin's Willie and Joe in his popular cartoon series "Up Front"), and "Tommy Atkins" is the speaker in Kipling's poem.

The speaker is calling our attention to the gross disparity in the value that the citizenry places on its soldiers. The unjust disparity he observes is the miserable treatment accorded the soldier and ex-soldier in peacetime, contrasted with their treatment when the winds of war are blowing or, as Tommy puts it, when "there's trouble in the wind."

Kipling's tribute to Mr. Thomas Atkins is relevant today, because in 1996, more than 100 years after it was penned by him, an American "Tommy" wouldn't have to look too far for modern-day American examples to support his disparity contention.

Were he writing today, Kipling's Mr. Atkins could have cited the statement released by Pentagon officials recently that the military logs for an eight-day period during which thousands of American troops might have been exposed to nerve gas and other Iraqi chemical weapons shortly after the Persian Gulf war appear to have been removed or lost and cannot be located despite an exhaustive search.

There are several mysterious gaps in the otherwise meticulous combat logs. The gaps include the period in early March 1991 in which American combat engineers blew up the sprawling Kamisiyah ammunition depot in southern Iraq, an event that exposed thousands of American troops to nerve gas.

One wonders if "Mr. Tommy Atkins" would feel the need to point out that at one time the Defense Department had denied to Congress that such combat logs even existed, and the DoD released the logs last year only after a Georgia veterans group sought them under the Freedom of Information Act.

Only recently has the Pentagon acknowledged that the nerve gas sarin and other chemical weapons had definitely been stored in the Iraqi ammunition depot at Kamisiyah that was destroyed by U.S. troops in March 1991.

That event at the Kamisiyah ammunition depot exposing thousands of U.S. soldiers to a cloud of the nerve gas sarin and other deadly chemicals, poisoning from anti-nerve gas tablets, and poisoning from pesticides are the presumptive sources of the disabling physical health problems that have been plaguing veterans and children of veterans of the Persian Gulf War.

As an attorney, I respect the way Kipling's speaker, "Mister Atkins," makes his case; his supporting examples are clear and visual, his logic is straightforward and his closing line poses a clear point for all Americans to ponder.

The concerned but muted and fragmented chorus of American voices would do well to find a present-day point man like "Tommy Atkins" who, armed with fresh examples to support his disparity contention, could forcefully champion the rights of responsible Americans and blast his closing line to Pentagon officials, the Defense Department, the VA and others—shouting, with the last words of the poem, "Bloomin fools" we're not.

THE SCANDAL-A-DAY ADMINISTRATION

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1997

Mr. SOLOMON. Mr. Speaker, as someone who has been looking into the dealings of the Clinton administration related to campaign fundraising, possible breaches of national and economic security and other indiscretions, this past week has been very interesting. It would appear that there is no end to the sheer arrogance and deliberate skirting of the law under which this administration has operated. No law, and certainly no ethical standard, appear to forestall any efforts by this President to further his personal and political interests and those of his associates. From dealings with a foreign company and officials with close ties to the People's Republic of China that likely jeopardized important economic and national secrets, to encouraging meetings at the White House with DNC political fundraisers, major