

range of human rights issues, and I look forward to continuing to do so in the future. I also thank the Greek-American community for holding Members of Congress to a high standard, and supporting the work that we do in the Congress. This is a special day for all of us—I look forward to celebrating it every year and sending fondest good wishes to Hellenes all over the world.

#### PRIVATIZING SOCIAL SECURITY

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1997

Mr. CRANE. Mr. Speaker, the Social Security system in the United States is headed toward bankruptcy. Neglecting to discuss fundamental reforms of this program, will only lead to last minute band-aid solutions, which means Congress will be back dealing with the issue again, sooner rather than later. Instead of deciding how best to extend Social Security's solvency, past arguments in Congress have sadly focused on blame shifting between political parties—more about who is trying to cut Social Security and less about how to save Social Security.

I am inserting an article in the RECORD which was published in the Wall Street Journal, that includes several ideas for privatizing our Social Security System. While some may be unsure that privatization is the long-term solution to Social Security, I submit this article in the hope it will generate discussions on this issue. I hope my colleagues have a few minutes to review this article, and will look at fundamental reform of Social Security as the only way to truly address the issue at stake:

[From the Wall Street Journal, Jan. 16, 1997]

SOCIAL SECURITY PRIVATIZATION IS HERE

(By E.J. Myers)

The report issued last week by President Clinton's Advisory Committee on Social Security has confused more than a few concerned citizens—not just because of its heavy dosage of technical jargon, but also because the committee itself was incapable of reaching a clear consensus on what to do about Social Security. And now there are serious questions about whether the technical jargon spun out by the committee is even worth the graph paper it's printed on. It appears that the old adage about a camel being a horse put together by a committee was right on target. And when that committee is based in Washington, the camel is likely to end up with three humps.

While Washington may be incapable of putting together a solution for a problem of its own making, the rest of us don't have to give up on Social Security reform. In fact, from Thomas Jefferson to Howard Jarvis, Americans have a long tradition of trumping central government dictates with local solutions that work. And in south Texas, along the windswept Gulf Coast, there are three history-filled counties—Galveston, Brazoria and Matagorda—that years ago put into effect Social Security privatization plans that Washington policy wonks still haven't even conceived of.

#### BEAUTIFUL SIMPLICITY

Until the early 1980s, state and local governments had the right to opt out of Social Security and establish their own retirement systems for public employees. This option was provided by the Social Security Act, passed in the 1930s.

Galveston County looked into this idea in 1979. Then-County Attorney Bill Decker asked Don Kebodeaux, president of First Financial Capital Corp. of Houston, to devise a plan for the county's employees to opt out of Social Security. Mr. Kebodeaux and First Financial's Rick Gornto designed a retirement plan that was many times better than Social Security program. In 1980 they presented their plan to former Galveston County Judge Ray Holbrook, County Attorney Bill Decker and the Commissioners Court, the county's administrative body.

The first beauty of the plan was its simplicity. The 6.13% payroll tax that the federal government had been taking from county employees for Social Security would now go into the employees' pension fund and would be matched by the county with an additional 6.13%. The new plan included the same employee benefits Social Security did: pensions and life and disability insurance. In recent years the county has increased its participation to 7.65%, which covered the payments of all premiums for life and disability insurance. The life insurance benefit for those under age 70 is 300% of one's annual earnings; the minimum benefit is \$50,000 and the maximum \$150,000.

The local unions fought the idea at first, and several Galveston County officials also opposed the action. Many spirited debates between Social Security representatives and the men from First Financial were held throughout the county; county employees listened carefully and made sure they got answers to all their questions. Voting on the question was held in 1981. By a resounding margin of 78% to 22%, the Galveston County employees endorsed the idea and the county opted out of Social Security.

Years later, a retired Mr. Decker told the story of how a number of unionized county workers thanked him for his wisdom and guidance. They said that at first they had serious doubts about giving up Social Security's guarantee of fixed income, but that now that they were getting ready to retire with significantly higher benefits, they were very happy they did.

"Of all the things I accomplished while county judge, setting up this retirement system for Galveston County employees is one of my proudest achievements," says Judge Holbrook, who retired in 1994. He points out that after just 12 years of service under the alternate plan he is now receiving twice as much as he would have under Social Security.

Seeing the tremendous potential in a plan like Galveston's, in 1982 Brazoria County opted out of Social Security in favor of a similar plan. A year later Matagorda County did, too. Both of these counties made their employees' contributions 6.7%, improving a great retirement plan by providing for even greater returns.

Tolbert Newman, the First Financial fund manager who oversees the retirement plans for these three counties, cites the following example of the growth that can be achieved in such an alternate pension fund. If an individual begins working at 25 years old and makes a \$2,000 annual contribution for just 10 years, assuming an 8% interest rate, he will have \$314,870 when he retires at age 65. If an employee works continuously for 40 years, depending on contributions, his portion of the pension fund could be more than \$1 million.

Galveston's once-fledgling employee benefit plan has stood the test of time, showing that it can and does outperform Social Security. Today, with more than 5,000 employees from these three counties, First Financial has grown a very healthy and sizable portfolio. Those who retire after 20 years of service will receive three to four times the

monthly benefit they would have under Social Security.

This plan is not just an isolated act by a group of extraordinarily responsible and dedicated Texans. In 1937 the Houston Fire Department set up its own retirement system, which now has more than \$1 billion in assets. Retired firefighters receive more than three times the amount Social Security pensioners do. There are countless other examples of other local and state governments showing the same responsibility and initiative. Five states have opted out of Social Security and have their own plans: California, Nevada, Maine, Ohio and Colorado.

Congress knows that privatization will succeed—or it should know. In 1984 it set up the Thrift Savings Plan, for government employees only, whose "C" Fund is administered entirely by Wells Fargo Funds and has succeeded well beyond anyone's imagination. The plan's three funds today total more than \$28 billion. Under the Thrift Savings Plan, if an employee making \$35,000 per year invests 10% of his pay each year, after 30 years he will have more than \$1.2 million in the retirement fund.

In August 1996 Frost Bank of San Antonio published a survey on Social Security in which 40% of its respondents strongly supported retirement accounts consisting of stocks and bonds and 55% opposed raising payroll taxes.

If Social Security were privatized for all Americans, those who work in the private sector, including the self-employed, would benefit as never before. Phasing out the employer's share of the Social Security tax would, over time, return to the business community more than \$169.2 billion per year. Freedom from these payroll taxes would be a tremendous boon to the economy, allowing the creation of countless new jobs in every sector.

#### A WINNER FOR DECADES

"We currently pay over \$1.3 million in matching Social Security taxes annually," says Larry N. Forehand, president of the Texas Restaurant Association and founder of Casa Olé Mexican Restaurants, a fast growing Texas restaurant chain. "If our company had that \$1.3 million a year to invest in new locations, we could build six additional restaurants, employ an additional 450 people and add \$7.2 million to the economy every year. It is estimated that all the restaurants in Texas will save \$1.2 billion per year."

Privatization has been a winner for decades for various government entities. It's time to extend the benefits to all.

#### THE MICROCREDIT FOR SELF-RELiance ACT OF 1997

HON. AMO HOUGHTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 19, 1997

Mr. HOUGHTON. Mr. Speaker, I rise today with my good friend and colleague, TONY HALL, and a bipartisan group of over 20 other Members, to introduce the Microcredit for Self-Reliance Act of 1997.

The goal of this bill is to help impoverished people around the world achieve dignity and economic independence for themselves and their families through microenterprise—a program designed to help provide people with small, low interest loans to start a business and bring themselves out of poverty.

Specifically, the Microcredit for Self-Reliance Act is a vehicle through which the United

States can give a higher priority to microcredit internationally, and work toward the goal of the 1997 Microcredit Summit—to reach 100 million of the world's poorest families, especially the women of those families, with credit for self-employment and financial and business services by 2005.

Our bill builds upon the successes of the Grameen Bank of Bangladesh, which was started by Mohammed Yunus in 1983. I'd recommend that each of my colleagues read the book "Give Us Credit," by Alex Counts, which eloquently tells the story of how Mr. Yunus brought so many of his fellow citizens out of poverty through microlending.

The U.S. Agency for International Development [USAID], under the able leadership of Brian Atwood, has also been involved in microenterprise for awhile now, and has been doing a good job at it. Also, groups such as Results, a grass roots support group headed up by Sam Daley-Harris, has worked tirelessly in promoting the ideals of microcredit, culminating in their successful Microcredit Summit, which was held here in Washington last month.

Mr. Speaker, this bill calls for no new funds. Rather, we're calling for more of our existing funds to be used to support microcredit programs. Specifically, the bill asks for \$170 million for fiscal year 1998 and \$180 million for fiscal year 1999 to be allocated to USAID for microcredit assistance. Half these resources, at least \$85 million for fiscal year 1998, and \$90 million for fiscal 1999, would go to institutions serving the poorest 50 percent of those living below the poverty line, especially women, with loans under \$300.

In addition, we'd like to provide \$20 million for special initiative within the International Fund for Agricultural Development [IFAD] to support community based micro-finance institutions that serve the very poor in rural areas.

Why Microcredit? Well, the World Health Organization reports that poverty is the leading cause of death worldwide. Over 1 billion people—or one-fifth the world's population—live in extreme poverty. Microcredit is one of the most effective antipoverty tools in existence, allowing people to eradicate poverty and hunger in their own lives.

The microcredit program enjoys broad bipartisan support. These programs not only help millions work their own way out of poverty, but also recycle foreign aid dollars through loan repayments. Microcredit loans are self-sustainable. They are easily replicable and powerful vehicles for social development.

Mr. Speaker, I hope you'll join me in support of the Microcredit for Self Reliance Act of 1997.

#### HONORING CELINA HIGH SCHOOL GIRLS BASKETBALL TEAM FOR AN OUTSTANDING SEASON

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 19, 1997*

Mr. GORDON. Mr. Speaker, I rise today to acknowledge the accomplishments of a dedicated group of young women who worked together in the true spirit of sportsmanship to achieve a long-awaited goal.

The group is the Celina High School Lady Bulldogs basketball team of Celina, TN, and

that goal was making it to the State Class A championship game. Although they were not victorious, the hardwork and dedication they demonstrated throughout the year will not be without notice. After all, they were honored as: 1997 Tri-Lakes Conference Champions, 1997 District 5 Champions, 1997 Region 3 Champions, and 1997 State Runner-up.

These women of Celina High School trained vigorously, played tirelessly, and deserve recognition for a job well done.

I congratulate each member of the team, their head coach, Joe Sims, and all the assistant coaches, managers, school administrators, and all other support staff. I know they won't soon forget this milestone, and those that are still to come.

The players are true champions: Nicole Davis, Jennifer Davenport, Kaylin Walker, Amanda Kendall, Tara Ashlock, Michelle Chambers, Crystal Price, Amber Isenberg, Andrea McLerran, Trinity Weddle, Amanda Thompson, Erica Melton, Janet Barlow, Courtney Cross, Dana Key, Cera Burnette, and Claudia Bailey.

#### TRIBUTE ASBURY PARK ON ITS 100TH ANNIVERSARY

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 19, 1997*

Mr. PALLONE. Mr. Speaker, I am very honored to represent the city of Asbury Park, NJ, which this week is celebrating its 100th anniversary.

If you mention Asbury Park to anyone in this country under the age of 45, they will often recognize it as the city Bruce Springsteen put on the map.

I am a great fan of Bruce Springsteen whom I consider a true musical talent and whose album "Greetings from Asbury Park," did indeed familiarize millions with our city. But I am quick to point out that Asbury Park was a famous seashore resort for almost a century before Bruce Springsteen entered the musical scene.

In fact, Asbury Park was attracting great musical talent starting perhaps in 1904 when Arthur Pryer, a member of the John Philip Sousa band, began a series of concerts on the boardwalk. According to a history compiled by Florence Moss, "Men in white straw hats and women in white-linen bustled dresses, carrying lace-trimmed umbrellas, would promenade the length of the mile long boardwalk."

Founded decades earlier by James A. Bradley, a developer with great foresight, and named after Francis Asbury, the father of Methodism in the United States, Asbury Park changed from sand dunes and forests to an exclusive seashore resort during the latter part of the 1800's. Until the rail line was extended farther south, wealthy residents of Newark and New York would take the train to Long Branch and then be picked up by horse and carriage and transported to Asbury Park.

The twenties was a rip-roaring era at the Jersey Shore featuring a rather booming and lucrative prohibition period. This in turn was followed some years later by the big bands and the likes of Count Basie and Frank Sinatra and other music greats.

During World War II, the British Navy took residence in the Monterey and Berkeley

Carteret hotels and the British Army inhabited the Kingsley Arms Hotel. This presence enabled local residents to survive gas rationing and other wartime shortages.

On the nearby boardwalk, the Casino and Convention Hall were utilized for other purposes. Since the twenties, entertainers performed and trade shows and folk festivals were held in these massive structures which were designed by architects Warren and Wetmore, who also designed New York's Grand Central Station.

Asbury Park can also claim the distinction of being the first seaside resort in the country to adopt a sanitary sewer system and its trolley system was only the second electric system built in the United States.

Mr. Speaker, while Asbury Park has suffered from a loss of revenues in recent years and the relocation of many stores to the shopping malls, it still boasts wonderful beaches, a great boardwalk, wide streets, historic architecture and a corps of dedicated citizens and public officials dedicated to its rebirth. In my mind, the restoration of Asbury Park to its position as a premier vacation and cultural center is well within our grasp and I pledge to work hard to see that this dream of ours is realized.

#### THE INDONESIA MILITARY ASSISTANCE ACCOUNTABILITY ACT

HON. PATRICK J. KENNEDY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 19, 1997*

Mr. KENNEDY of Rhode Island. Mr. Speaker, as you are aware, I am very concerned about conditions in the former Portuguese colony of East Timor. Particularly, I believe I bring a unique perspective to the debate because I am one of the few Members of Congress to have visited the good people of East Timor. As a legislator, I have been privy to the debate in Congress over the responsibility of the United States to fight for human rights worldwide.

Up until 21 years ago, East Timor was a colony of Portugal. In 1975, the small, emerging nation of East Timor was brutally invaded by the nation of Indonesia. Over the past 21 years, the people of East Timor have been subjected to some of the worst abuses of human rights in the world. The Indonesian government has been a cruel and repressive dictatorship.

More than 200,000 East Timorese—almost one-third of the population—have been killed or have died from starvation after being forced from their villages. All attempts at peaceful protest have been met with violent oppression. This attack cannot be countenanced and this violence must end.

Abduction, torture, suppression of dissent, and disappearances are common occurrences under the Indonesian occupation of East Timor. Suppression of the East Timorese independence movement includes arbitrary detention, use of secret detention facilities, rape, torture frequently resulting in death. These abuses occur in large part due to the free hand given to the military to suppress the independence movement.

In December of last year, I visited the Indonesian-occupied land of East Timor. One of