

SOCIAL SECURITY INVESTMENT
FUND ACT OF 1999

HON. ROSCOE G. BARTLETT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1999

Mr. BARTLETT of Maryland. Mr. Speaker, today Mr. MARKEY and I introduced the "Social Security Investment Fund Act of 1999" with Mr. POMEROY, Mr. DUNCAN, and Mr. MATSUI. This bill gives legislative form to the need to provide workers with a reasonable return on their Social Security payroll taxes while maintaining the guaranteed benefit foundation of the current Social Security system. It would authorize the investment of a portion of the Social Security surplus in the private sector—a diversification strategy used by nearly every other public pension fund in America. It would restrict this discretion, however, to a very conservative form of investment called "index funds." Management would be passive, not active, and the return on investment would mirror the return of the market as a whole, not individual stocks. In this way, the system would benefit from a higher rate-of-return while protecting the system against the shock of market downturns.

The main features include:

An addition of 6 years of solvency to the Social Security System without resort to benefit cuts, payroll tax increases or government borrowing.

The locking-up of Social Security surpluses for Social Security only.

Assumption by the government of the risks of ups and downs in the market so that retirement benefits remain guaranteed.

The structure of the investment program is as follows:

1. *Independence.* We establish the Investment Board as an independent agency. Its activity is self-funded, and its authorization explicitly forbids muddying the pursuit of its fiduciary duty with social, political or religious objectives.

2. *Limited Risk.* The amount to be invested in stocks would remain far less than the amounts already invested in the market by public pension funds—a small fraction of the market as a whole.

3. *Professionalism.* The Board hires fund managers already engaged in managing money in the financial markets for private investors.

4. *Conservatism.* Each fund manager invests only in equity index funds that mirror the market broadly (e.g. the Wilshire 5000) so that the government is at no time engaged in the business of picking winners and losers.

5. *Diversification.* The total amount allocated to each fund manager is limited so that no one controls a disproportionate share of the overall activity of any single company.

6. *Neutrality.* In proxy battles, the fund managers would not decide how to vote the shares. The shares would instead be voted automatically through "mirror voting", where the fund's votes are cast in the same proportion as the votes cast by all other shareholders.

NATIONAL TRIO DAY

HON. JOHN W. OLVER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1999

Mr. OLVER. Mr. Speaker, I rise in honor of National TRIO Day—celebrated each year on the last Saturday in February—to recognize the importance of the Federal TRIO Program.

"What is TRIO?" To millions of disadvantaged Americans the answer is quite simple: "TRIO equal opportunity."

TRIO identifies aspiring students from poor families, prepares them for college-level work, and helps them define and achieve their goals.

TRIO plans a critical role in leveling the educational playing field in our country.

Since 1965, over 10 million Americans have benefitted from TRIO programs, which include—Talent Search, Upward Bound, Student Support Service, Ronald McNair Post-Baccalaureate Program, and Educational Opportunity Centers.

In my Congressional District—in western and central Massachusetts—TRIO serves 2500 students each year at 8 separate colleges and universities.

TRIO has helped many of my constituents lift themselves out of poverty and climb into promising careers as teachers, lawyers, doctors, journalists, and business owners.

TRIO means opportunity to young people across the country who would otherwise not be able to attend college and pursue their dreams.

I urge this Congress to recognize the national success of TRIO programs, and to renew our commitment to educational opportunity.

THE INCREDIBLE READING RALLY

HON. NICK LAMPSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1999

Mr. LAMPSON. Mr. Speaker, I rise today to commend the Beaumont Teachers Association and the Literacy Volunteers of America for their terrific work performed in raising money for the adult literacy programs at the Literacy Depot in Beaumont, TX, this week.

Since 1996, Literacy Volunteers of America (LVA) has raised national awareness of literacy issues and funds to provide a solution through the Incredible Reading Rally. Developed collaboratively among literacy program managers, volunteers and LVA national leadership, the Incredible Reading Rally involves thousands of adults, school children, businesses, and organizations around the country each February.

Kick-off events have ranged from gala evenings and public appearances by Garfield the Official Spokescat of the Rally, to celebrities like Miss America reading their favorite books to school children. Through the generous sponsorship of Ferrero USA, Literacy Volunteers of America is able to provide materials and supplies to its participating affiliates at no cost to the local programs.

Other corporate sponsors may contribute through either cash or prize donations. Friends

and family can sponsor volunteers by pledging money for each hour per book read during the Rally period. Eighty percent of all monies raised by volunteers will stay in the local community and directly benefit individuals who need reading help. In addition to highlighting the importance of families reading together, this event gives participants a sense of accomplishment about their efforts to support literacy.

Once again, I would like to congratulate the Beaumont Teachers of America and Literacy Volunteers of America for their fine work.

TAVELLI ELEMENTARY SCHOOL

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1999

Mr. SCHAFFER. Mr. Speaker, I rise today to pay humble tribute to the students, teachers, and parents of Tavelli Elementary School in Colorado for their efforts to help the needy during the holidays. I comment the faculty of the school as well as all the students, parents, and individuals who contributed to their special canned food drive. Their selfless dedication has provided warmth, comfort, and happiness to families in Colorado. That the school produced so much for the Salvation Army for the benefit of the needy is testament to the true meaning of the spirit of Christmas and Hanukkah. Let us remember, as these good people have, that the holiday season is one of giving, one of joy, and one of hope. Let the children's example during the holidays be a beacon to us all throughout the year.

TRIBUTE TO COACH DAVEY WHITNEY AND THE ALCORN STATE BRAVES

HON. BENNIE G. THOMPSON

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1999

Mr. THOMPSON of Mississippi. Mr. Speaker, it gives me extreme pleasure to stand before you and recognize the accomplishments and success of one of Mississippi's finest basketball coaches, Coach Davey Whitney, men's head basketball coach at Alcorn State University. Coach Whitney was the first coach to lead a team from a historically black college or university (HBCU) to victory in the NCAA and NIT tournaments.

Alcorn State University, located in Lorman, Mississippi, was once known as a basketball powerhouse under the guidance of Coach Whitney. During his first stint as head coach, the Braves enjoyed 17 straight winning seasons, nine Southwestern Athletic Conference (SWAC) titles, three National Collegiate Athletic Association (NCAA) tournament appearances and two National Invitational Tournament (NIT) appearances. Then Coach Whitney retired.

Three years ago he was called upon to return and revive the winning program. Through hard work by Coach Whitney and his staff, along with the dedication of this young talented ball club, the Braves are currently enjoying their best season since 1986, the last time

Alcorn won the SWAC title. Therefore, it is only fitting that in 1999, while Coach Whitney is on the brink of accomplishing that same goal with the very same program, that I take time out to recognize him.

At the age of 69, Coach Whitney's goal this time around is to get the basketball program back on its feet and train someone to replace him. Although some may view this as a wise decision, I know that there are many Braves fans out there who are lobbying for him to stay for as long as he wants.

Mr. Speaker, Coach Whitney exemplifies college basketball in every way. His track record shows that he has what it takes to be successful and stay successful in college basketball. Keep up the good work Coach and the best of luck to you and your ball club as you continue on your quest for greatness.

ELIMINATION OF AID TO TURKEY

HON. ROBERT E. ANDREWS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1999

Mr. ANDREWS. Mr. Speaker, I rise today to recognize and applaud the action of the 105th Congress to withhold all aid for Turkey in the 1999 appropriations bills.

For the past 25 years, Turkey has brutally oppressed the people of Cyprus and committed atrocious human rights violations. Despite the condemnation of the international community, Turkey has refused to withdraw its troops from Cyprus or improve its record on human rights. The United States must take the lead in resolving this conflict in the Mediterranean. Not only is it our moral obligation to oppose unjust oppression and brutal human rights violations, but a lasting resolution to the Cyprus problem would also improve relations between Greece and Turkey, strengthen the peace and stability of the Eastern Mediterranean region, and serve important United States interests.

I have been delighted to work with Congressman JOHN EDWARD PORTER, a key member of the House Appropriations Committee and a great leader on these issues. Congressman PORTER and I introduced H.R. 388 and H.R. 1361 in the 105th Congress to address the situation in Cyprus. These bills proposed to withhold all American military and economic assistance to Turkey unless Turkey peacefully resolved the conflict with Cyprus and halted all human rights violations. I am very pleased that Congressman PORTER and I were able to achieve our goal when these funds were withheld in 1999 appropriations. I join my colleague in urging this Congress and the President to continue to deny aid to Turkey until these diplomatic and human rights requirements are met.

THE ETHERIDGE SCHOOL CONSTRUCTION ACT

HON. BOB ETHERIDGE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1999

Mr. ETHERIDGE. Mr. Speaker, I rise today to announce the re-introduction of my legislation I originally introduced last year to assist

fast-growing states to build new schools, reduce class sizes and overcrowding and foster an orderly and disciplined learning environment. To date, I have gathered more than twice as many original cosponsors this year than the bill enjoyed in the last Congress, and I urge all of my colleagues to join me in signing on to this important legislation.

As the former Superintendent of North Carolina's schools, I know firsthand how important quality facilities are to our children's education. The General Accounting Office has identified more than \$112 billion in school construction needs across the country. The Secretary of Education has reported that the "Baby Boom Echo" will create an explosion of growth in the school-age populations in many states over the next ten years. In fact, the experts at the U.S. Education Department have projected that my state's high school enrollment will grow by 27.1 percent over the next ten years. Almost all of my Congressional District's nine counties have experienced tremendous growth this decade (Franklin County—19.6 percent, Granville County—9.9 percent, Harnett County—18.9 percent, Johnston County—25.3 percent, Lee County—17.1 percent, Nash County—17.3 percent, Sampson County—9.5 percent, Wake County—29.4 percent, Wilson County—2.6 percent).

Congress must assist the states to meet their school construction needs of the coming decade. My bill will use new tax credits to create \$7.2 billion in school construction bonds over the next ten years. These school bonds will be allocated to the states based on the growth we know they will experience in the coming decade. The Etheridge School Construction Act will complement the Administration's school construction initiative by using the same bond-leveraging tax credit but targeting resources to growing states. These targeted tax credits will provide resources directly where they are needed without adding any new federal government programs of bureaucracy. My state of North Carolina will qualify for about \$360 million in school construction bonds under this legislation.

By directing these bonds to the states with the most growth, we will provide desperately needed assistance to the states with the most critical needs and provide some relief to virtually every state. Specifically, the Etheridge School Construction Act will provide school construction bonds to these states at the following amounts: California—\$2.32 billion; Texas—\$840 million; New York—\$540 million; Florida—\$436 million; North Carolina—\$360 million; Georgia—\$303 million; Virginia—\$249 million; Massachusetts—\$241 million; Illinois—\$237 million; Arizona—\$233 million; New Jersey—\$191 million; Tennessee—\$166 million; Maryland—\$129 million; Colorado—\$112 million; South Carolina—\$104 million; Indiana—\$100 million; Alabama—\$100 million; Washington—\$83 million; Utah—\$83 million; Nevada—\$79 million; Missouri—\$58 million; Pennsylvania—\$54 million; Michigan—\$50 million; Connecticut—\$42 million; New Mexico—\$42 million; Rhode Island—\$37 million; Oregon—\$33 million; Mississippi—\$29 million; Idaho—\$29 million; Hawaii—\$29 million; Ohio—\$25 million; Delaware—\$25 million; Arkansas—\$20 million; Alaska—\$20 million; New Hampshire—\$17 million; District of Columbia—\$8 million; Louisiana—\$4 million; Kentucky—\$4 million; Kansas—\$4 million; Vermont—\$4 million.

The revenue costs of this legislation amount to the modest sum of \$2.3 billion which could easily be offset by tightening loopholes in the tax code and minimal reductions in current federal government spending. There is no need to utilize the current and future budget surpluses to pay for this legislation. Therefore, this bill is budget neutral. Below are listed examples of current government expenditures that could be trimmed or eliminated. My individual colleagues who support the Etheridge School Construction Act may not agree with each and every provision I suggest we curtail to finance this important priority, but the list illustrates opportunities for savings available to accommodate the pressing need for new schools. The Green Scissors Campaign and other sources have identified these items.

Mining Reform. Under the General Mining Law of 1872, anyone may explore open public lands for hardrock minerals including gold, silver, lead, copper, zinc and many others. Each year, approximately \$2 to \$3 billion worth of minerals are taken from public lands but no royalties are paid. Modest reform to require a fair market return to taxpayers for publicly-owned minerals extracted by mining companies, for example an 8 percent royalty, would raise roughly \$1 billion over five years.

Timber Sales. Over the last nine years, the U.S. Forest Service has lost \$2.8 billion on its timber program. The losses come from selling timber at below the Forest Service cost of preparing the timber for sale and subsidizing the construction of an extensive network of logging roads to support its timber sales programs. Requiring the receipts for National Forest commodity timber sales to cover the expenses of programs would save \$200 million annually or \$1 billion over five years.

Plutonium Manufacturing Project. This project known as "Rocky Flats II" would increase Los Alamos National Laboratory (LANL) pit production capacity. Pits are the plutonium cores of nuclear bombs and act as triggers for detonation. There is no need for new pit production because the U.S. retains several thousand pits in reserve. For example, there are more than 10,000 spare pits in bunkers near Amarillo, Texas and many of them could be substituted in currently-deployed weapons should a currently nonexistent need ever arise. Terminating this unneeded new construction would save approximately \$1.1 billion.

Oil and Gas Expensing. Firms engaged in the production of oil, gas and other fuels are permitted to expense rather than capitalize certain intangible drilling and development costs (IDCs). They are subsidies originally intended to increase investment and exploration into oil and fuel. These subsidies are designed to reduce dependence on foreign oil, but they increase the exploitation of our nation's resources and do nothing to abate the world's consumption of fossil fuels and the attendant effects on the global environmental health. Ending this subsidy would save \$500 million a year or \$2.5 billion over five years.

These are a few examples of large expenditures the federal government incurs that could be curtailed to achieve necessary savings. In addition to these big ticket items, one-time spending items are often included in the annual appropriations bills that serve parochial interests of individual Members and represent significant costs to the federal Treasury. For example, last October Congress passed the