

problems. Now, WorldCom, the nation's second-largest long distance telephone company has been charged with fraud by the Securities and Exchange Commission. Reports have revealed that WorldCom defrauded investors by improper accounting practices for \$3.9 billion in expenses during 2001.

We are discovering that publicly traded companies have contributed to bilking the American investors and taxpayers out of about \$4 trillion since 2000 due to unaccountable financial filings, accounting errors, misinformation, and mismanagement of funds that has caused the financial markets to become unstable. Where are our watchdogs? They were nowhere to be found when it comes to integrity.

In order to ensure corporate accountability, we need to establish under the jurisdiction of the Securities Exchange Commission (SEC) ways to regulate accounting firms that audit SEC registrants (publicly trade firms). This type of structure could be empowered to charge registrants with annual fees to pay for the cost of staff to carry out the suggested plan of surveillance of auditors. This concept would intervene between a registrant and it's auditor before, during and at the end of an audit, it would be more effective than the current regulatory system in achieving:

An early warning of potential financial disasters such as Enron and WorldCom;

Requiring a change in auditors when the SEC deems it appropriate;

Require pre-approval of consulting engagements for a registrant to be conducted by it's auditor;

And, improve the format and content of financial and the auditor reports by including information about labor relations, research and development, marketing programs, and new products.

These are the kinds of things that must be done. Therefore, I have introduced on today a bill to establish an Office of Audit Review within the Securities and Exchange Commission to ensure the audits of certain public companies.

PERSONAL EXPLANATION

HON. JAMES H. MALONEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 2002

Mr. MALONEY of Connecticut. Mr. Speaker, I was absent on Monday, July 22, 2002, and missed rollcall votes No. 324, and No. 325. Had I been present, I would have voted Aye on roll call No. 324, and Aye on roll call No. 325.

RECOGNIZING THE U.S.S. "SIERRA" VETERANS ASSOCIATION'S RESOLUTION OF SUPPORT FOR OUR WAR AGAINST TERRORISM

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 2002

Mr. GILMAN. Mr. Speaker, I rise today to express my gratitude to the U.S.S. Sierra Veterans Association for their patriotism and support of our President, the Congress, and our

armed forces as we wage our war against terrorism.

At the 14th Annual Reunion on September 28th 2001, the U.S.S. Sierra Veterans Association passed a Resolution expressing their anger at the terrorists attacks of September 11, 2001 and voicing their support of the President and Congress taking appropriate action in combating terrorism. In addition, the association expressed their condolences for the destruction and loss of so many innocent lives following those barbaric attacks against the World Trade Center and the Pentagon, and over the skies of Pennsylvania.

It is important for us to recognize individuals and organizations that are expressing their patriotism, for just as we appreciate their support of our efforts to protect the American public, they must know that we appreciate their steadfast resolve towards fighting terror in their hearts and minds.

Accordingly, it is my privilege to present the house with the U.S.S. Sierra Veterans Association Resolution in support of our war against terrorism and assure them that their message has been received and that we will work diligently and act decisively to protect innocent American lives.

The Domain Of The Golden Dragon (Ruler Of The 180th Meridian) Invaded September 7, 1944

U.S.S. Sierra (AD 18) VETERANS ASSOCIATION
"THE SHIP WITH THE HELPING HANDS"

A RESOLUTION

Whereas: We of the U.S.S. Sierra [AD-18] Veterans' Association have gathered in Portsmouth, Virginia on September 28, 2001 for our 14th annual reunion.

Whereas: We, United States Veterans, are very angry and disturbed over the terrorists' attacks on the United States which occurred on September 11, 2001 with the resulting destruction and loss of so many innocent lives.

Be it resolved that we, U.S.S. Sierra Veterans, encourage and support our commander-in-chief, the United States Congress and those so delegated in all efforts to locate those individuals and groups responsible in any way for the tragic disruption of our security and freedom and to impose appropriate punishment in a timely and thorough manner.

THE 50TH ANNIVERSARY OF THE CONSTITUTION OF THE COMMONWEALTH OF PUERTO RICO

HON. ANÍBAL ACEVEDO-VILÁ

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 2002

Mr. ACEVEDO-VILÁ. Mr. Speaker, this Thursday, July 25, Puerto Rico celebrates the 50th Anniversary of the adoption of its Constitution as a Commonwealth. This Constitution established a unique relationship between Puerto Rico and the United States, which has enabled Puerto Ricans to preserve and promote our cultural identity, while guaranteeing our United States citizenship and protecting the values of liberty and justice that we share with all Americans.

This Constitution established a republican form of government, and provided for a broad Bill of Rights that followed both the U.S. Constitution and the Universal Declaration of the Rights of Man. This Constitution also provided

for the election of all members of the legislature by the free will of the people. The ratification of the constitution by the people of Puerto Rico is the most significant democratic achievement for Puerto Rico in the 20th Century.

At the outbreak of the Spanish-American War, Puerto Rico already had a strong sense of nationhood and had achieved a high degree of autonomy under Spanish colonial rule. However, the initial U.S. rule on the Island, did not automatically bring democracy and progress for Puerto Rico. For decades Puerto Ricans continued to strive for autonomy and democratic rights. In 1917, the United States granted Puerto Ricans U.S. citizenship, but very little was provided to increase Puerto Rican participation in local government. In the 1940's, a new generation of Puerto Rican leaders sought a transformation in the relationship between the United States and Puerto Rico, in order to provide the necessary democratic tools for the economic, social and political development of the Island.

Leaders like Luis Muñoz-Marín, Antonio Femos, Jaime Benítez, and others, worked to pave the way for a new relationship between Puerto Rico and the United States.

In 1950, the U.S. Congress responded to Puerto Rico's claim to autonomy, by approving Public Law 600, which recognized the right of the Puerto Rican people to write and adopt their own constitution as a compact between the two nations. A Puerto Rican Constitutional Convention drafted the new Constitution, which was signed into law by President Truman and subsequently ratified by the overwhelming majority of Puerto Rico.

The Commonwealth is the result of a great generation of Puerto Rican and American leaders driven by a progressive vision and commitment to democratic values. President Harry Truman said: "The Commonwealth of Puerto Rico will be a government which is truly by consent of the governed. No government can be invested with higher dignity and greater worth than one based upon the principle of consent. The people of the United States and Puerto Rico are entering into a new relationship that will serve as an inspiration to all who love freedom and hate tyranny."

The Commonwealth is based on the free will of the Puerto Rican people who have supported the commonwealth status in all 3 plebiscites celebrated on the issue to date. The majority of Puerto Ricans prefer commonwealth over statehood and independence because it is the only status that allows them to preserve and promote their cultural identity, while maintaining the benefits of their political relationship with the United States.

Commonwealth is the only political and legal arrangement that harmonizes two central aspirations of the Puerto Rican people. On the one hand, Puerto Ricans will to preserve their autonomy and promote their distinct national identity, and on the other, their desire to preserve their U.S. citizenship and ties with the United States. Both aspirations are realized under the commonwealth. Moreover, the pro-commonwealth movement represents the Puerto Rican center, accommodating two radically conflicting political forces: independence and statehood.

The Commonwealth is based on four pillars: (1) common U.S. citizenship, (2) common defense, (3) common currency and trade; and (4) fiscal and political autonomy.

Puerto Ricans treasure the U.S. citizenship. They believe it represents the values of our democracy, liberty and justice that they share with all Americans. Thousands of Puerto Ricans have fought with valor and died as U.S. soldiers in all armed conflicts since World War I, and today they are proudly fighting the war against terrorism.

The economic and social benefits of the Commonwealth have been extraordinary. Puerto Rico's economic transformation was led by Governor Luis Muñoz-Marín and his Popular Democratic Party. The economic development project named "Operation Bootstraps" combined government investment, education, training and tax-exemptions. Muñoz-Marín's leadership along with the U.S. government's assistance, transformed Puerto Rico into a modern and competitive country.

Puerto Rico's fiscal autonomy has been crucial to these achievements. Fiscal autonomy means that for tax purposes Puerto Rico is considered a foreign jurisdiction. This tool allows Puerto Rico to collect its own taxes, set its own fiscal priorities, and compete effectively with other foreign jurisdictions. Although U.S. residents in Puerto Rico do not pay federal income tax, they do pay federal payroll taxes.

The Commonwealth's success has been very beneficial for the United States as well. Today, Puerto Rico is the #1 per capita consumer of U.S. products in the world; and the 9th largest market for U.S. goods in the world. In 1999, Puerto Rico purchased \$16 billion worth of U.S. products, which translates into 320,000 jobs on the mainland.

Today, the overwhelming majority of Puerto Ricans live a better life thanks to the Commonwealth. Moreover, in my view, commonwealth status was ahead of its time. The commonwealth is a pragmatic model capable of dealing with real problems; it is flexible and adaptable to the new global context. In fact, contemporary political theorists and scholars have recognized the benefits of an autonomous arrangement such as the Commonwealth of Puerto Rico. In the new world order, traditional concepts of political theory such as sovereignty, state and citizenship have changed and become more flexible. The focus today is on cooperation, integration and openness.

As anticipated by its creators, the Commonwealth may be continuously improved and enhanced. Under an enhanced commonwealth, Puerto Ricans have a prosperous future ahead.

The view that Commonwealth is the best alternative for the island is shared by the majority of Puerto Ricans. Statehood has never been favored in any plebiscite on status. Independence today has less than 5 percent of support. The Commonwealth was chosen by the voters in 1952, and it has been favored in every plebiscite since—in 1967, 1993 and 1998.

That being said, the issue is not settled and Puerto Ricans are still divided. It is important to understand that in the 1950–52 process, Puerto Rico exercised, but did not exhaust its right to self-determination. In other words, Puerto Rico still preserves its fundamental right to self-determination.

In fact, one of the primary obstacles to any process to deal with the status of Puerto Rico has been a fundamental lack of agreement as to which mechanism would allow the people of

Puerto Rico to reach a decision on this matter in the fairest manner possible.

Puerto Ricans believe that Congress will respect their expressed will. But Congress will respond only if we come to Washington with one voice, as a people. If we come divided, as in tribes, history has taught us, nothing will be accomplished.

To deal with this persistent obstacle, Governor Calderón have invited all three political parties in Puerto Rico to join in a process to reach a consensus as to the procedural mechanism we should follow, and will soon announce the formation of a Commission of Puerto Rican Unity and Consensus.

This Commission will be composed of equal numbers of representatives of Puerto Rico's three political parties, as well as a number of renowned jurists and other eminent private citizens, selected by the three parties in consensus. The Commission will then seek to reach non-partisan consensus on the procedure to be followed in future status discussions.

Notwithstanding this historic non-partisan process proposed by the Governor, I must tell you that the overwhelming majority of the people of Puerto Rican respect and cherish our Commonwealth constitution.

To further explain my views on the present and future of the Commonwealth and the need of a new Puerto Rican consensus, I am submitting for the RECORD a speech that I gave on April 26, 2002 at Harvard's JFK School of Government.

This week all Americans ought to celebrate the 50th Anniversary of the Constitution of the Commonwealth of Puerto Rico, not only because for the extraordinary achievements of the past 50 years but also for the bright future of growth that we have ahead.

INTRODUCTION OF THE RETIREMENT SECURITY FOR ALL AMERICANS ACT

HON. EARL POMEROY

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 2002

Mr. POMEROY. Mr. Speaker, I rise today to introduce the "Retirement Security for All Americans Act," legislation that will help all of our nation's workers save for their retirement. Sen. JEFF BINGAMAN (D-N.M.) has already introduced a companion bill in the Senate, and I am proud to sponsor this bill in the House.

Although there are several ways to measure pension coverage, there is one constant statistic—less than half of the workers in our country are covered by an employer sponsored pension plan. In spite of numerous incentives provided by Congress over the years, this coverage rate has remained virtually unchanged for the past three decades. In my home state of North Dakota, the plan participation rate is lower than the national average. Only 41 percent of workers participate in a retirement plan in the state. Therefore, about 60 percent of North Dakota's workers are without coverage and will have to fund their retirement through personal savings and Social Security. Unfortunately, most private sector workers who do not have a pension or retirement plan will not have significant savings, leaving them only with Social Security as their main source of income in retirement.

The legislation I am introducing today addresses this need by encouraging small- and mid-size employers, where pension coverage is severely deficient, to not only offer plans, but to provide contributions to their lower paid workers. Each of these provisions standing alone would improve coverage and our national savings rate. Combined, they strongly complement each other making passage of this bill imperative.

The first provision expands and makes permanent the current Savers' Credit that was signed into law last year. Currently, married couples earning less than \$30,000 are entitled to a credit of half their retirement plan contribution. Those with income between \$30,001 and \$32,500 are eligible for a 20 percent credit, and a 10 percent credit is available for those with incomes above \$32,500 and less than \$50,000.

This bill would gradually phase the credit rate down for married couples with incomes between \$30,000 and \$55,000 and other filers with incomes between \$15,000 and \$27,500, eliminating the cliff-like structure of the current credit.

North Dakotans will greatly benefit from this provision. The average median household income in North Dakota is about \$35,000. Over one-third (38 percent) of households in the state have incomes of less than \$30,000. Workers in these households will receive \$.50 for every dollar that they save in their 401(k) or IRA. An additional 34 percent of households in North Dakota have incomes between \$30,000 and \$50,000. Workers in these households will receive between \$.10 and \$.20 for every dollar that they save in their 401(k) or IRA. This additional money will help North Dakotans, and especially baby boomers, plan for their retirement.

The second provision of the bill requires all employers with more than 10 employees, who do not currently offer their employees a qualified retirement plan, to provide their workers with the option of a payroll deduction IRA. A payroll deduction IRA will allow workers to save small amounts out of each paycheck instead of making periodic or annual contributions to an IRA. This savings mechanism is desperately needed among workers and small employers who cannot afford to establish pension plans. To offset any administrative cost, a tax credit of \$200 for the first year and \$50 for subsequent years is provided to the employer.

The final section incorporates the Senate passed provision that was eliminated in the Economic Growth and Tax Relief Reconciliation Act of 2001 conference that provides small businesses with a tax credit for their contributions to the retirement accounts of their non-highly compensated employees. This should not only encourage many employers to offer a plan for the first time, but also create a noteworthy incentive to contribute to these employees' accounts.

I look forward to working with my colleagues to bridge this gap in pension coverage in our country. We must continue to advance proposals that will make meaningful improvements. I know this legislation is needed in North Dakota, and I hope my colleagues will join me in passing this important legislation.