

that only six plans in the entire group ever had to pay the special contributions in that period.

For two of the plans, it was already too late by the time the special contributions came due. Years of insufficient contributions had taken their toll, and those plans collapsed and were taken over by the government.

The G.A.O. study attributes some of the misleading pension math to the use of inappropriate actuarial assumptions in projections and some to a process called "smoothing," in which actuaries attempt to eliminate short-term volatility by spreading changes over several years.

But the pension agency's analysis of United's case shows that the rules for tracking contributions made in prior years have also caused a great deal of trouble. The rules allow companies that put in more than the required minimum in any given year to keep the excess amount on their books and to use it to offset their required contributions in years when cash is tight.

These excess contributions from the past are kept in a running tab called a credit balance.

The trouble is that at United, as at many companies, money contributed in the 1990's was invested in assets that lost value during the bear market that began in 2000. But the pension rules allow companies not only to keep their pension credit balances on the books at the original amount, but they are even permitted to allow their credit balances to compound in value at some interest rate determined by the plan's actuary.

When United's calculations finally began to show that contributions were quickly needed, in 2003, the airline was able to satisfy the requirement with just a small amount of cash and lots of bookkeeping entries from its credit balance.

Senator Grassley said he believed many companies were "booking phony investment gains to hide that workers' pensions are going down the tubes."

He said he hoped the hearing would lead to legislation that would eliminate the loopholes that made such maneuvers possible.

In a later session today, the finance committee is scheduled to hear from executives of some of the major airlines, and from the leaders of some of the unions for airline employees.

□ 1945

SALUTING THE DOC AND JOHNNY SHOW

The SPEAKER pro tempore (Mr. MACK). Under a previous order of the House, the gentleman from Florida (Mr. KELLER) is recognized for 5 minutes.

Mr. KELLER. Mr. Speaker, I rise tonight to pay tribute to two central Floridians marking a special anniversary. Doc Holliday and Johnny Magic have been a team on the Orlando airwaves for 15 years now.

In an industry where many hear the words "you are fired" more often than Donald Trump's would-be apprentices, the Doc and Johnny Show on XL 106.7 has stood the test of time. These guys are like gum under a bus seat. They have survived four presidents, three hurricanes, and have gotten themselves in trouble too many times to count.

The idea for the Doc and Johnny show came the way many great ideas

in this country come about, over a beer. Doc Holliday is a huge sports fan with a reputation for enjoying the big game with a big beverage. Johnny Magic is a single guy in his 40s, loved by the station's female fans, which sort of makes him the Fonz of Orlando.

They have worked together 15 years and are still going strong. And behind one of the most successful morning radio shows in Central Florida are two men who have shown a strong commitment to making my home town of Orlando a better place. Let me give you three examples.

First, in 1991, Doc and Johnny helped 30 needy families make sure they had Christmas presents under the tree for their children. Last year, the Baby DJ Program help make sure 5,000 kids had toys at Christmas. It is a program I am proud to have personally donated to.

Second, after the events of September 11, 2001, Doc and Johnny broke from their regular format and instead had numerous elected and law enforcement officials on their radio show to make sure the people of Orlando had the very latest information on the war in terrorism in what was a very uncertain time for our Nation.

Finally, when my State was hit last summer with hurricane after hurricane, Doc and Johnny's Neighbor Helping Neighbor program set up shop at a local mall and gave listeners a place to donate and pick up hurricane relief supplies, all free of charge.

When I asked their long term sidekick, Grace Vazquez, her favorite memory about Doc and Johnny, she wrote about a time when the show was on the road in Key West. Grace fell off a moped and broke her arm. Through it all she writes, "One, they never left my side. Two, they still made me laugh. Or maybe it was the painkillers".

Mr. Speaker, Doc may be a fast-talking guy from New Jersey, and Johnny may be a southerner from North Carolina, but my home town of Orlando, Florida, is a better place because they decided to make their home there. I wish them a happy 15th anniversary on their radio show.

SMART SECURITY AND THE CASE FOR LEAVING IRAQ

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. WOOLSEY) is recognized for 5 minutes.

Ms. WOOLSEY. Mr. Speaker, the common theme to the war in Iraq has been the Bush Administration's ability and willingness to mislead the American people. First, they misled about weapons of mass destruction. Then, nearly 2 years ago, they falsely declared the end of major combat operations.

Now they are openly declaring success of the mission, and President Bush regularly speaks of an increasingly democratic Iraq. This assessment suggests the degree to which the President fails to comprehend the disastrous lack

of security that has plagued Iraq over the last 2 years. Personally, I am frightened that our own President has such a failed understanding about the reality of the war that he started.

Just as disturbing were recent comments by the Vice President, DICK CHENEY. In an interview, he said that the Iraqi insurgency was in its last throes. I am not sure which press reports the Vice President has been reading, but somehow I do not think his optimistic assessment of Iraq's insurgency is grounded in fact.

Unfortunately, misleading assessments of the war like these do not magically secure Iraq from the true threats that it faces; and the true threats are an increasingly strengthened Iraqi insurgency, encouraged by the continued U.S. military occupation.

On the ground, a violent wave of car bombings and other attacks killed 80 U.S. soldiers and more than 700 Iraqis in the month of May alone. Vice President CHENEY calls this the last throes?

At some point, the Bush Administration needs to admit what the rest of the American people know, that its current strategy in Iraq is failing. Recent polls show that 58 percent of Americans disapprove of the President's handling of the situation. Now it is time for the President to start listening to the American people.

Members of Congress in both parties understand that our Iraq policy is a disaster. When the House recently debated the Defense Authorization Act for fiscal year 2006, 122 Democrats, 5 Republicans and 1 Independent, totaling 128 Members of Congress, voted in favor of my amendment expressing the sense of Congress that the President should establish a plan for the withdrawal of troops from Iraq.

Mr. Speaker, Americans are less secure, not more secure as a result of the war in Iraq. This war has created a whole new generation of terrorists whose common bond is their hatred for the United States and our aggressive militarism.

Unfortunately, we do not follow a smart plan, but fortunately there is a plan that would secure America for the future, the Smart Security Resolution, H.Con Res 158, which I recently re-introduced with the support of 49 of my House colleagues. Smart is a sensible, multilateral American response to terrorism for the 21st century; and it will help us address the threats we face as a Nation. Smart security will prevent acts of terrorism in countries like Iraq by addressing the very conditions which allow terrorism to take root: poverty, despair, resource scarcity, and lack of educational opportunities, as starters.

Instead of rushing off to war under false pretenses, smart security encourages the United States to work with other nations to address the most pressing global issues, dealing with global crises diplomatically instead of resorting to armed conflict.

Instead of maintaining a long-term military occupation in Iraq, our future efforts to help the Iraqi people should follow the smart approach: humanitarian assistance, coordinated with our international allies, to rebuild Iraq's war-torn physical and economic infrastructure.

Mr. Speaker, the President must create a plan to bring home the hundreds of thousands of U.S. soldiers fighting in Iraq, helping to secure Iraq by giving Iraq back to the Iraqis and saving the lives of thousands of American troops. We must end this long and destructive war.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BURTON) is recognized for 5 minutes.

(Mr. BURTON of Indiana addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

RENEGOTIATING CAFTA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. BROWN) is recognized for 5 minutes.

Mr. BROWN of Ohio. Mr. Speaker, at a White House news conference last week President Bush, called on this Congress to pass the Central American Free Trade Agreement this summer.

This morning in this Chamber, next to me, the most powerful Republican in the House, the gentleman from Texas (Mr. DELAY), once again promised a vote, this time by July 4. Actually, a month or so ago the gentleman from Texas (Mr. DELAY) promised that there would be a vote in May, but this time he says he actually means it.

Mr. Speaker, those of us who have been speaking out against the Central American Free Trade Agreement have a message in return. Let us scrap this agreement. Clearly, this Congress does not support it. And let us renegotiate a better Central American Free Trade Agreement.

President Bush signed this agreement fully 1 year and 2 weeks ago. Every trade agreement negotiated by this administration, Morocco, Singapore, Chile, Australia, all trade agreements negotiated by this administration have been ratified by Congress within 65 days of the President affixing his signature to them. CAFTA has languished in Congress now for 54 weeks without a vote because this wrong-headed trade agreement offends Republicans and Democrats alike.

Just look at what has happened with our trade policy in the last decade. 1992, the year I ran for Congress, we had a trade deficit in this country of \$38 billion. Today, a dozen years later, last year actually, in 2004, our trade deficit was \$618 billion.

From \$38 billion, when the gentlewoman from Ohio (Ms. KAPTUR) and others of us in this Chamber opposed

the North American Free Trade Agreement, from \$38 billion a dozen years ago to \$618 billion today.

It is clear our trade policy is not working. Mr. Speaker, opponents of CAFTA know that it is simply an extension of the North American Free Trade Agreement, actually a dysfunctional cousin of NAFTA, which clearly did not work for our country.

Look at the chart. Look at the number of jobs we have seen lost in this country as a result of trade policy.

In the last 5 years, not all of these jobs are trade policy, but many of them are. In the last 5 years, the States in red have lost more than 20 percent of their manufacturing jobs. New York, 222,000. Pennsylvania 200,000. Ohio, 217,000. Michigan, 210,000. North and South Carolina, 306,000 combined. Alabama and Mississippi, another 125,000. State after State after State has lost hundreds of thousands of manufacturing jobs.

It is the same old story. Every time there is a trade agreement, every time there is a trade agreement, the President says it will mean more jobs for Americans, it will mean more exports for the U.S., it will mean more manufacturing done in our country and selling those products overseas, and the President promises it will be better wages for workers in the developing countries.

Mr. Speaker, Ben Franklin said the definition of insanity is doing the same thing over and over and over again and expecting a different outcome. The President makes the same promises on NAFTA, on PNTR, on trade promotion authority, the same promises, every trade agreement. And every time it comes out exactly the opposite. That is why there is overwhelming bipartisan opposition to the Central American Free Trade Agreement.

Since then, the administration and the gentleman from Texas (Mr. DELAY) and Republican leadership have tried every trick in the book to pass CAFTA. The administration started off by linking CAFTA to helping democracy in the developing world. Defense Secretary Rumsfeld, Deputy Secretary of State Zoellick both have said CAFTA will help on the war on terrorism. I am not really sure why, but they said that we need to pass this agreement with Central America to help us in the war on terrorism. But we know 10 years of NAFTA has done nothing to improve security between Mexico and the United States, so that argument simply does not sell.

In May, then, the U.S. Chamber of Commerce set up a junket for the six presidents from Central America and the Dominican Republic, taking them to Cincinnati and Los Angeles and Washington and Albuquerque and around the United States, hoping they might be able to sell the American people the press and the Congress on CAFTA. Again they failed.

Earlier this year, the majority leader, the gentleman from Texas (Mr.

DELAY), and the Ways and Means Chairman, the gentleman from California (Mr. THOMAS), said there would be a vote on CAFTA by Memorial Day. Memorial Day came and went without a vote. Why? Because they did not have the votes.

Now we have a new deadline for this failed trade agreement. It is July 4th.

Mr. Speaker, Republicans and Democrats, business and labor groups, farmers, ranchers, faith-based groups, the National Council of Churches, the Latin American Council of Churches, churches, business groups, religious leaders environmental groups, all have said, if CAFTA countries and the U.S. renegotiate CAFTA, we can get a better agreement next time.

□ 2000

KORNER'S FOLLY

The SPEAKER pro tempore (Mr. MACK). Under a previous order of the House, the gentlewoman from North Carolina (Ms. FOXX) is recognized for 5 minutes.

Ms. FOXX. Mr. Speaker, I rise today to honor a unique historic home located in Kernersville in North Carolina's fifth district. It is called Korner's Folly.

Some folks call Korner's Folly the strangest house ever built. Others say they are amazed at its resemblance to a small castle one would more likely find on the banks of the Rhine River. Everyone is certain that few houses equal its unique nature.

Upon entering the building, one walks past the "witch's corner" which is complete with fireplace and chimney. Soon, however, one learns that he or she is welcome as the house is square with entrances on each side for visitors to come and go as they wish.

Built first as a carriage house with stables, bachelor's quarters and studio, Korner's Folly stands proudly on Main Street in Kernersville, North Carolina. It was built by Jules Gilmer Korner, an artist and interior designer, who is credited with painting Bull Durham Tobacco signs in many areas of the country.

Although 1880 is given as the completion date, Mr. Korner's zeal for decorating and altering the house is evident. The stables were soon turned into a library. The reception, or ballroom, on an upper level with a 20-foot ceiling is decorated with fresco-type pictures and features two magnificent fireplaces. At the very top, one is amazed to find a theater named Cupid's Park for the paintings of cherubs on the ceiling. With 22 rooms, which have ceiling heights from under 6 feet to over 20 feet, a tour brings many surprises and attests to the creativity of the builder.

This unique building was saved from deterioration in 1971 by a group of public-spirited Kernersville citizens who purchased it and began the process of preservation and restoration. They understood the importance of preserving