But seasoned Capitol Hill observers readily concede that there are no ''final victories'' in Washington. Indeed, there is little time—if any—for complacency and savoring our 1995 wins, because there is much to be done in the second season of the 104th Congress in preparation for such crucial issues as ISTEA reauthorization and taking the Highway Trust Fund off-budget.

DIVISION RE-ENGINEERING

A centerpiece of our government affairs emphasis activity will be a ''re-engineering'' of NSA's Government Affairs Division, which will be implemented on my watch as Chairman, I wish to emphasize at the outset that this revamping was not generated by any shortfall in meeting legislative goals and expectations. It is a recommendation that was generated from within the Division, and is intended simply to involve substantially more of our industry's leaders in developing policies and positions regarding legislation. Another important aspect of the re-engineering effort is to significantly broaden involvement of industry laymen in the political process via our rapidly growing Grassroots Network.

The initial step in re-engineering the Government Affairs Division was to create an expanded Steering Committee. This 30-member unit consists of a broad cross-section of leaders throughout the industry. The Steering Committee—headed by Government Affairs Division Chairman Craig Bearn of the Melvin Stone Company—will provide leadership for the Association's legislative, political action and government affairs programs. It also will serve as the mechanism for developing NSA policy and positions on key issues facing the industry in areas such as transportation infrastructure, federal spending, tax policy, labor/management relations and regulatory reform.

Our plan is for the Steering Committee to meet semiannually—once at the spring Government Affairs Conference, in Washington, and once at the call of the Chairman. A key element in the success of the Steering Committee concept is vigorous member participation. By agreeing to serve on this group, the participants are making a solemn commitment to the industry—either to participate in Committee deliberations personally, or by designating a senior representative from the company as an alternate.

The Steering Committee Chairman will appoint a limited number of ad hoc Task Forces on specific legislative issues especially crucial to aggregates industry interests, such as the upcoming ISTEA reauthorization and/or the percentage depletion allowance, both of which are high on the Congressional agenda in 1996.

Besides the Steering Committee, our re-engineering master plan calls for only one other standing committee—the Grassroots Network Committee, chaired by Bill Sandbrook of Tilcon New York Inc. I am extremely enthusiastic about NSA's Grassroots program, because I have long felt that the key to successful lobbying is grassroots member involvement.

There is a definite role for lobbyists in the legislative process and NSA has utilized its lobbying staff very effectively. Lobbyists can cite facts and figures and articulate policies and positions, but Congressmen want to hear from the folks back home. Often, when it comes time for the lawmaker to cast his vote on a critical issue his thinking can be tempered by strong constituent response. As the late Speaker of the House ''Tip'' O'Neill so aptly observed ''All politics are local!''

EMPLOYEE PARTICIPATION

Currently, NSA's Grassroots Network has grown to more than 550 individuals who are committed to contacting their Congressmen and Senators on issues vital to the aggregates industry when the need arises. In 1995 alone we made more than 1,500 Congressional contacts on issues ranging from the National Highway System to the pending Ballenger Bill on regulatory reform.

This provided an excellent start for getting the Grassroots program off the ground. But I am hopeful that our 1995 effort is just the beginning.

Successful recruitment into the Grassroots Network is not a matter that is limited to the NSA staff. I firmly believe that in a $7.75 billion industry, which employs some 80,000 people throughout the nation, the number of participants in the Grassroots Network ought to be at least several times its current size.

It is incumbent on each member producer to encourage broad employee participation in the Grassroots effort. Because of the ultimate potential of this program, I believe that it is something that an employer would want to encourage all of his employees—and members of their families—to seriously consider participating in.

FY 1997 APPROPRIATIONS TESTIMONY: ARGUING FOR RELIABILITY AND CONSISTENCY

During my appearance before the House Appropriations Subcommittee on Transportation on February 29th, I urged Congress to apply the basic formula of I=P=SL/QL in allocating funding for the nation's future surface transportation mobility needs: an upgraded infrastructure (I) equals increased productivity (P), which in turn paves the way to an increased American standard of living (SL) and quality of life (QL).

We further urged that, in evaluating competing funding requests, Congress recognize the basic fact that highways are the way we move the vast majority of people and goods in America. Citing research by noted economist Dr. David Aschauer, which clearly demonstrates the role of infrastructure investment in enhancing productivity and job growth, NSA maintained that both equity and practicality argue for increased federal user-fee financed programs to focus their attention on the most productive infrastructure investments—highways, airport runways and waterways.

My testimony strongly emphasized the need for reliability and consistency in the overall funding process for infrastructure. I pointed out that 40 to 60 percent of any quarry's market typically comes from road and construction repair. It is important for us to receive accurate and reliable forecasts for the future Federal Aid Highway Program so that we can prepare our business plans accordingly.

HIGHWAY INVESTMENT: THE ROAD TO OUR FUTURE

In our legislative deliberations with Capitol Hill, NSA has increasingly articulated the need for American investment in transportation infrastructure as a necessary requisite for securing the United States' position in a global economy. And simultaneously we have clearly stated our own industry's need for a reliable source of infrastructure funding in order to successfully carry out our role in ensuring our nation's mobility.

Our message has been clearly articulated, but because of a growing number of competing interests, it must be perpetually reinforced—on an almost daily basis. It must be reinforced by NSA's own lobbyists: it must be reinforced through participation in coalitions which share our mutual interests; and it must be reinforced by our Association's own members, via our Grassroots NSA work.

I urge everyone to participate, because highway investment is truly the road to our future!

RAISING THE MINIMUM WAGE HAS TOO MANY COSTS

HON. WAYNE ALLARD

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1996

Mr. ALLARD. Mr. Speaker, with the political season winding into high gear, Republicans and Democrats are facing off over another highly-charged issue: raising the minimum wage. As the rhetoric and accusations fly, let's not lose sight of the real goal at hand: to put more money in our workers' paychecks.

Some people think we can do that by boosting the minimum wage by 90 cents in 2 years. I think we can raise take-home pay by reducing the tax burden on our citizens in a number of ways, foremost by balancing our national budget. Another boost would be the $500-per-child tax credit.

The effects of raising the minimum wage have been analyzed by countless economists, and the results vary widely, often according to the political leaning of the experts. We have to ask ourselves what risks are we willing to take, and do the benefits outweigh them?

After looking over different estimates and analyses, I am concerned that raising the minimum wage will have more negative effects.

I know firsthand the effects of raising the wage. When I owned my veterinary clinic, I had to let go of a part-time worker when the wage was increased. I know other small business owners will not be able to maintain their current levels of employment if the wage is raised.

Instead of earning an extra $36 a week, some workers will be laid off and end up earning nothing, or have their hours cut and earn less.

Raising the wage is also likely to force owners and managers to raise wages at other levels as well. Unless they keep salaries proportionate, owners may sow worker discontent and salary inequity. Raising everyone's salary, however, could lead to an inflationary spiral, and offset the gains made by increasing the bottom wage.

A number of people in the service industry are likely to be laid off as well. Instead of paying people the minimum wage to pump gas, for example, we now rely on self-service. I can see this happening in other industries as well, such as cleaning and lawn care, and even such simple jobs as washing animals in a pet hospital.

Although small businesses and the private sector are going to be hit by a minimum wage increase, they are not the only ones who will feel the effects. One reliable study estimates that State and local governments will have to pay an additional $1 billion from 1996 to 2000 in salaries if the increase is approved. Unless Federal assistance is provided to offset these added expenditures, Congress will be forcing another unfunded mandate on the States in violation of a new law.

Who makes minimum wage? In 1994, roughly 4.8 million workers were paid at or below $4.25 an hour. All these workers were over 16, and 63 percent of them were over 20. Of these, 58 percent were women and 47 percent of them held full-time jobs. Today, about 12 million people make less than $5.15 an hour.

In fact, a vast majority of economists agree that the Democrat plan to raise the minimum

wage will hurt the people most in need: low-skilled workers, women, and inner-city residents.

Historically, we can see how raising the minimum wage affects the economy and unemployment.

In the past 20 years, the minimum wage has been increased nine times, each time phased in over 2 years. During every 2-year period the wage was increased since 1973, unemployment also increased. This happened regardless of whether the economy was growing or shrinking.

The only exception was in 1977–79, when the economy grew at a rate of 5.6 percent. We are looking at a 21-percent increase in the minimum wage over 2 years now. The economy's annual rate of growth was 2.8 percent in the first quarter of 1996, and 2 percent for all of 1995.

That kind of growth doesn't appear strong enough to support such a high wage increase without causing more unemployment.

On the surface, raising the minimum wage might look like a nice thing to do for those workers at the bottom of the pay scale. But only on the surface. The potential effects on the economy overall, not to mention on the people we are purporting to help, could be devastating.

Instead of trying to score easy political points, we should institute policies that will have a lasting, positive effect on everyone in the economy. Balancing the budget would have the most profound lasting effect, by lowering interest rates on homes, cars, and credit cards.

Furthermore, we can also approve the $500 per child tax credit, marriage penalty relief, adoption tax credits, and reduce the Federal gas tax.

That's the kind of relief we need, and the kind of relief President Clinton has vetoed.

INDIAN ELECTION-RIGGING

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1996

Mr. BURTON of Indiana. Mr. Speaker, I recently had the opportunity to meet with several prominent Kashmiri leaders to discuss the Indian Government's intentions to force elections upon the people of Indian-occupied Kashmir on May 23 and May 30, 1996. While I was not surprised to hear that Indian security forces are continuing to commit numerous human rights abuses against innocent Kashmiris, I was astonished to learn of how far the Indian Government is going to deceive the outside world into believing that Kashmiris actually support the upcoming elections.

I have been informed that the Indian Army is going door to door telling Kashmiris that they were legally bound to participate in the election and threatening physical retaliation against Kashmiris who fail to vote. Buses are being diverted from their normal routes to transport people to rallies supposedly in favor of elections. I have also been told that the Indian Government has organized 50,000 people to pose as Kashmiris and to travel throughout Kashmir on election day casting votes at every stop all under the watchful eyes and cameras of a select few reporters chosen by India to paint the elections as a great success.

Mr. Speaker, it is quite well known by everyone who follows the Kashmir issue that the only vote people of Indian-occupied Kashmir desire is a vote which includes the option of independence from India. This option, while promised on numerous occasions by the United Nations, has been continually denied by the brutal Government of India. Why is self-determination deemed an inalienable right for so many peoples of the world, yet so taboo when talk turns to Kashmir? Are the peoples of Estonia, Latvia, Lithuania, Ukraine, Turkmenistan, Tajikistan, Armenia, and Azerbaijan more capable or worthy of self-government than the people of Kashmir? Historically, Kashmir has been ruled as a princely state far longer than it has been part of India—a country which has existed less than 50 years. Its claims to independence are just as strong as those of the former Republics of the Soviet Union.

Mr. Speaker, I have heard some political theorists argue that granting the Kashmiris their independence would prove destabilizing to South Asia and could facilitate the breakup of India. Hogwash! What could be more stabilizing for India than to give the Kashmiris, who clearly do not want Indian rule, their freedom. No longer would India have to devote hundreds of thousands of troops and huge amounts of money to suppressing the Kashmiris. Even if the transition to independence proved turbulent, would it be any more turbulent than the transition of the former Soviet Republics to New Independent States? Is avoiding potential instability a higher goal than freeing people from an oppressive ruler?

Mr. Speaker, I hope everyone in the United States will be watching the upcoming elections in Kashmir very carefully. It is obvious that the Indian Government wants the world to stop asking these tough questions and wants the world's eyes to turn away from this troubled part of the world. That is why the Indian Government is going to such extremes to stage these elections. However, this should not come as a surprise to anyone who has had an opportunity to see what India is willing to do here in the United States to shield itself from United States congressional scrutiny. I encourage all my colleagues in the Congress to read the Thursday, May 9, 1996, Baltimore Sun article which documents how the Indian Embassy recently funneled $46,000 in illegal campaign contributions to United States congressional candidates whom it perceived to be sympathetic to India. Such tampering in United States electoral politics by the Indian Embassy cannot be tolerated.

[From the Baltimore Sun, May 9, 1996]

CAMPAIGN FUND-RAISER ADMITS GUILT

(By Jim Hanker and Mark Matthews)

A prominent fund-raiser for Maryland Democrats pleaded guilty yesterday to election fraud in a scheme to launder at least $46,000 in illegal campaign contributions he received from an official at the embassy of India in 1994.

Lalit H. Gadhia—a 57-year-old immigration lawyer and former campaign treasurer to Gov. Parris N. Glendening—confessed in U.S. District Court in Baltimore to his role in the scheme to influence congressional lawmakers involved in foreign-policy decisions affecting India.

An immigrant from Bombay, India, who was active in Baltimore's early civil rights movement, Gadhia now faces up to five years in prison and $250,000 in fines. Sentencing is scheduled for this summer.

Prosecutors say the case against Gadhia is one of only a handful of cases in which foreign citizens or governments have been linked to illegal campaign contributions in a U.S. political race, and may be the first time an official of a foreign embassy has been implicated.

''The fact that the money came from the Indian Embassy and that so many people were manipulated into participating in the scheme takes this case to a higher level than we normally see in these kind of investigations,'' said U.S. Attorney Lynn A. Battaglia. ''Obviously, we have not seen a case like this in Baltimore before.''

Among those who received the illegal funds were four members of the Maryland delegation and congressmen in Pennsylvania, New York and Ohio. According to documents filed in the case, federal authorities could find no evidence that any of the recipients was aware of the true source of the contributions.

''The campaign assumed that these were appropriate contributions,'' said Jesse Jacobs, press secretary for Sen. Paul S. Sarbanes, the Marylander who is the third-ranking Democrat on the Foreign Relations Committee. Mr. Sarbanes received $4,500 of the questionable contributions.

Other Maryland Democrats who received $3,000 contributions each were Reps. Benjamin L. Cardin and Steny H. Hoyer and former Rep. Kweisi Mfume.

In all, 19 Democratic candidates nationwide got the money shortly before the 1994 elections through a network of prominent Indian-American businessmen in Maryland, their families and employees of their companies. The donors then were reimbursed by Gadhia, who admitted yesterday that he used money from a minister at the Embassy of India in Washington.

Under Foreign Election Commission rules, it is illegal for noncitizens to make political contributions or for anyone to make donations in another person's name. But Gadhia never informed donors that the money was coming from India—or told them that it was a crime to accept reimbursement for a donation.

''The vast majority of people in the Indian-American community nationally are going to be appalled by this,'' said Subodh Chandra, 28, a Los Angeles lawyer who heads a political action committee that unwittingly received at least $31,400 of the illegal contributions from Gadhia.

''We can only hope at this point that these were the acts of a lone bumbler or group of bumblers and not some sort of international intrigue involving the Indian government. Whatever the case may be, it has harmed an immigrant community in this country that has worked hard for political recognition,'' Chandra said.

The scheme first came to light last year after a two-month investigation by The Sun into Chandra's PAC, the Indian-American Leadership Investment Fund. Federal campaign finance records showed that almost all of the group's money came from Baltimore donors with ties to Gadhia, who then was Glendening's campaign treasurer.

Donating mostly in $1,000 and $500 increments, contributors ranged from prominent Indian-American engineers and doctors to cooks, busboys, students and secretaries who never before had made a political donation.

A half-dozen contributors interviewed said they were paid by Gadhia or his nephew to write the checks, but had no idea the practice was illegal.