PERMISSION FOR MEMBER TO SIT IN VACANT POSITION ON COMMITTEE ON BANKING AND FINANCIAL SERVICES

Mr. FAZIO of California. Mr. Speaker, I ask unanimous consent that for the next month the gentleman from California [Mr. TORRES] be allowed to sit in the vacant position on the Committee on Banking and Financial Services as a Democratic member.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina [Mr. JONES] is recognized for 5 minutes.

[Mr. JONES addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

PROPOSED CLOSING OF COMMISSARIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. MASCARA] is recognized for 5 minutes.

Mr. MASCARA. Mr. Speaker, I would like to take a few minutes this afternoon to make our colleagues aware of the problems associated with the proposal to close some 38 commissaries around the world, including some in Korea. I do not think many Members are aware of this potential. I read in the Army Times, dated March 31, of these potential closings.

First of all, one of these commissaries is in my congressional district in Oakdale, PA. This is 1 of 309 commissaries around the world. The problem relates to underfunding of some $48 million to DeCA, the Defense Commissary Commission. The Charles Kelly Support Facility was placed on that list by a subjective number of items that was used in selecting commissaries around the country and around the world that would be closed.

First of all, to the Member, we all agree that the budget must be balanced by the year 2002, and what I am saying, first of all, is that we need to reprioritize our spending, and to make sure that the benefits that were granted to these Members will be placed high on the priority of lists of spending in next year's budget.

The reason that the Charles Kelly Support Facility was selected was because somehow it fell under the category of 100 or more active members that should be on duty in order for a commissary to remain open. First of all, there were more than 100 at the Charles Kelly Support Facility, so the numbers provided by the Defense Department, the Pentagon, and DeCA were flawed and in error. I am hoping that they will consider keeping the commissary open at Oakdale in my congressional district.

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In fact, if you go within a 50-mile radius of the Charles Kelly support facility, there are some 3,335 active members on duty in that district. So I have spoken to Major General Beale, Jr. about the matter, and we had a lengthy discussion about the problems of his agency.

First of all, the agency's budget, back in 1991 or 1992, was some $660 million. Then as a result of some accounting nuances, as an accountant myself, I usually check those figures, the department, the DeCA was placed under a performance based organization and asked to accept indirect cost allocations which raised his budget from $600 million to over $1 billion.

So a lot of those costs were as a result of indirect costs which are arbitrary and, I would say, capricious being placed on DeCA. DeCA itself, in addition to accepting those indirect costs, cut some $200 million over a 5-year period so it could help with balancing the Federal budget.

What I am saying is that I think the department, DeCA itself, in looking at closings, should consider using a regional factor that is in Pittsburgh, in Oakdale, PA. If that commissary were closed, you would have to go 200 miles to Dayton or 200 miles to Carlisle, PA in order to have access to a commissary.

The members of the armed services and the active members and the retirees, which number some 48,000 to 50,000, that use that particular commissary should be permitted to have a commissary. They shook the hands of the Federal Government and the military when they joined that they would have these benefits.

So what I am asking today, Mr. Speaker, is that DeCA and the Defense Department look at a regional concept. I am not saying that some of these 38 commissaries should not be closed, but they should look at a regional concept, which would include areas such as the Charles E. Kelly support facility that could reach out to other members of the armed services in that area and perhaps be considered as a regional commissary.

Mr. Speaker, this afternoon I want to take a few minutes to bring to the attention of the House the crisis that is facing our military commissary system.

I do not think many Members are aware of this situation, but for those of you who missed it, on March 31, 1997 the Army Times ran several articles pointing out that the commissary system is facing a $48 million budgetary shortfall.

If a solution is not found, at least 37 commissaries of the 309 worldwide will likely be closed. Four of the commissaries on the proposed closure list are in Korea and 33 in the United States and are located in cities from Hawaii to Maine.

One of the commissaries on the closure list is located at the Army's Charles E. Kelly Support Facility which is in my Pennsylvania district. The Defense Commissary Agency—known as DeCA—put the Charles E. Kelly facility on its list because the base contained less than 100 active duty personnel.

Those of you who know me, know I am an accountant and the first thing I do when I receive any information is to check the numbers.

To make a long story short, DeCA numbers were plain wrong. The Charles E. Kelly serves as many as 3,335 active duty members in a 50 miles radius and nearly another 50,000 reservists, retirees, dependents, survivors, and ROTC instructors who have also earned the right to use the facility.

Needless to say, I have already received assurances that should push come to shove, Charles E. Kelly, and others on the list which serve large populations of military families, will not be closed. DeCA will find some way to make ends meet and keep them open.

While my own parochial problem will likely turn into good news, my goal today is to make Members aware that through a variety of budget actions, DeCA's managers hands have been tied in knots and the commissary systems' finances run through a meat-grinder. And that is putting it politely.

If steps aren't taken to correct the situation, we may end up with the wholesale closure of commissaries all across the country. By default we could hand a victory to those who would like to do away with the commissary system altogether.

On behalf of all those military personnel, retirees, dependents, and survivors, who I know firsthand would have a hard time feeding their families without these commissaries, I would submit Congress owes our military personnel a more constructive solution. If we are to keep those millions of handshakes made between military recruits and our Government, we have no choice but to find an answer to this dilemma and to find it sooner than later.

The commissaries' budget problems can be directly traced to a change in its budget system ordered in 1992 by the Department of Defense which suddenly charged the commissary system with millions of dollars in indirect costs that had previously not been assigned to its budget. In subsequent years, DeCA has been asked to bear millions of dollars of hard budget cuts.

Now DeCA is to become a performance based organization, in laymen's terms an agency that operates more like a private business which tries to make money and meet its customers needs, Unfortunately, as part of the process, DeCA is probably going to be asked to bear at least another $200 million in cuts.

I am an accountant. I know my numbers and from my professional perspective, these repeated financial assaults on DeCA have put it in an untenable position, making it nearly impossible for the agency to carry out its duties.

In the short-term, I have implored Pentagon officials to find a way to reprogram funds to keep these commissaries open.

In the long run, I think the Pentagon and Congress has to seriously consider regionalizing the commissary system and raising the commissary surcharge by 1 percent.

At the present time, the Pentagon apparently only counts active duty personnel when

determining the need for a commissary. The reality is there are millions of other military-connected citizens, reservists, retirees, dependents and survivors who also have commissary privileges.

If these groups are counted and clusters drawn where the highest concentration of eligible shoppers occur, the Pentagon could easily establish regional commissaries, a system I predict which would function much more efficiently and cost-effectively.

The second step would be to raise the commissary surcharge which has not been raised since 1983, A 1-percent increase would generate approximately $53 million annually. I know this is not popular to say, but commissary shoppers, with an average basket cost of around $50 would hardly notice the .50 cents added to their bill.

Taking these two steps would give DeCA leaders the flexibility their sorely need to improve services, upgrade stores, and show the rest of the Government that a performance based organization can really work.

Finally, I think it is important to make the point that the men and women directly impacted by these possible commissary closures freely chose a military career serving their country, oftentimes knowing they will make considerably less in terms of pay than they would in a civilian occupation. Part of the reason they dedicate their lives to protecting our country's liberty is because they are told that in return they and their families will receive medical care and access to a commissary. If these commissaries are forced to close, we will be breaking the promise made to them and denying these heros of our society the adequate compensation they clearly deserve in return for their dedication to our country's military.

As you may know, I am a member of the House Committee on Veterans' Affairs and serve on its Subcommittee on Benefits. I come from a family with a long history of serving in the military. I myself am an Army veteran. I have four brothers who served in World War II and my immigrant father earned a Silver Star for valiant and heroic service in World War I. Thus, it is no secret that I strongly feel that our country owes a deep obligation to all active duty military personnel and veterans and must do everything possible to see that they receive the health care and other benefits they so rightfully deserve. It is my intention to work with all appropriate Members to see that these closings do not occur and that the commissary systems long-range problems are resolved.

This isn't an argument over who can sell the cheapest groceries. The question is how do you want to compensate the troops? Is the Pentagon going to raise pay to offset for closing commissaries? Even if each military personnel was given an extra $75 per month to compensate, the cost would be prohibitive. In the end, we would spend more than it costs to keep the commissaries open and running.

I urge my colleagues from both sides of the aisle to join me in this effort. We owe the fine men and women in our military no less.

ISSUES OF IMPORTANCE

The SPEAKER pro tempore (Mr. ROGAN). Under a previous order of the House, the gentleman from Michigan [Mr. SMITH] is recognized for 5 minutes.

Mr. SMITH of Michigan. Mr. Speaker, just frustrated for the last several days, when I have heard Members from the other side of the aisle, the Democrats, suggest to the Republicans, why are you not doing this, why are you not passing campaign finance reform? Why are you not helping this group, or why are you not doing this for those people?

I would like to remind everybody, Mr. Speaker, that the Democrats have controlled this Chamber for the last 40 years, ample opportunity, ample time to deal with some of the problems that they are so ready now to stand up and criticize Republicans for not moving faster.

I cannot help but think of the welfare reform so long overdue, where the U.S. Government has in effect said to young women in this country, if you get pregnant, we are going to do these things for you.

Can you imagine, Mr. Speaker, anybody going to their own young daughter and saying, I want to talk about the possibility of you getting pregnant and, if you get pregnant, we are going to increase your allowance by $500? We are going to give you a food allowance.

We would never say something like that to our own kids. Yet as a society, we have been saying that.

Nothing happened to change welfare until the last 2 years when Republicans, for the first time in 40 years, gained a majority in this House, in this chamber, and decided, look, enough is enough. We are sending the wrong signals. If we want to get back to an America that rewards those people that work hard, that save, that try, then we are going to have to make some changes of where we have been going for the last 40 years. That means changing a complicated tax system.

We now have a Tax Code where special interest lobbyists have been coming in over these past 40 years and getting favoritism for their particular clients. So now we have a Tax Code that is so complicated, that is so unfair that everybody agrees that it needs changing. Yet it has not been changed.

And now what we are saying on this side of the aisle, and we are gaining support from the Democrats, is that we need to make some basic changes in our tax code to make it flatter, to make it fairer.

I would like everybody to guess how many people now work for the IRS, snooping around our different tax filings to see what they can find out. Luckily this week we passed a bill to say, no more snooping for IRS agents.

Sometimes we question what is happening with immigration. If you compare the number of people hired for immigration, something around 14 or 16,000, I think, with the 115,000 IRS agents that we employ to go over taxes, to do our auditing, saying that they have to have this kind of power because they are afraid the American people might cheat if they are not threatened with an audit, it has got to be our goal to get rid of the IRS as we know it.

Mr. Speaker, I would urge all Members of this Chamber to look at what has been accomplished over the last 40 years and what has not been accomplished. And even though Republicans might not be passing as many bills right now as we did 2 years ago, I think it needs to be clear that we are for changing this Tax Code. We are for doing away with as much of the death tax penalty as we can, to do away with that estate tax or at least increase the exemption, to do away with our Tax Code that discourages savings and investment.

We have the greatest penalty, Mr. Speaker, we have the greatest penalty against businesses that decide to buy new tools and machinery. So we penalize savings and we penalize investment. We need to change that. We are moving steadily ahead to do some of the things that should have been done much earlier than this session or last session.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. GEKAS] is recognized for 5 minutes.

[Mr. GEKAS addressed the House. His remarks will appear hereafter in the Extensions or Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. MILLER] is recognized for 5 minutes.

[Mr. MILLER of Florida addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana [Mr. MCINTOSH] is recognized for 5 minutes.

[Mr. MCINTOSH addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota [Mr. GUTKNECHT] is recognized for 5 minutes.

[Mr. GUTKNECHT addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. KINGSTON] is recognized for 5 minutes.

[Mr. KINGSTON addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

PROBLEMS WITHIN THE DEPARTMENT OF VETERANS AFFAIRS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. BILIRAKIS] is recognized for 5 minutes.