

general funds and that, in consequence, the offering proceeds become fungible with the issuer's other moneys. In this regard, section 18(c)(4)(A)(3), added by this amendment, is not intended to require issuers to trace offering proceeds to specific end uses. A dealer affiliate that funds both financial and non-financial businesses at, or subsequent to, the completion of a securities offering should remain eligible to claim the exemption unless it specifically directs all or most of the offering proceeds to the nonfinancial business.

This amendment narrows the provision in the legislation that makes it easier for brokers to service their customers who are out of town, to help ensure investor protection. We live in a very mobile society, where it is commonplace for people to conduct their personal business outside the State where they live. Laws that do not recognize this fact of modern life are a trap for the unwary. This legislation eliminates this trap by providing a very narrow exception that permits brokers to provide service to their customers who are temporarily out of State or who have moved out of State, without having to register in that State in advance of the transaction. The amendment I offer today further narrows this provision to add a condition that applies in all cases where a broker seeks to use this exemption. It provides that a broker may only use the provisions of the exemption to service a preexisting customer of the broker-dealer that employs that broker. This will help to ensure that the exemption is used to help brokers and their clients transact business in today's mobile society, not to promote cold-calling and boiler-room operations.

In addition, the amendment provides that up to four associated persons may be deemed to be assigned to a client for purposes of new paragraph (3)(A)(ii) that the legislation adds to new section 15(h) of the Exchange Act.

This amendment changes the provision of the legislation that grants the Securities and Exchange Commission exemptive authority to prevent the Commission from usurping the authority of the Department of the Treasury with respect to certain aspects of the regulation of Government securities brokers. The amendment provides an express limitation on the Commission's exemptive authority to provide that this authority does not extend to the provisions of section 15C under the Exchange Act, pursuant to which the Department of the Treasury regulates Government securities dealers.

This amendment requires that the Securities and Exchange Commission find that a mutual fund name is materially misleading in order to use the rulemaking authority the legislation grants the Commission to stop the use of such a name.

Finally, the amendment adds a new title III to the legislation, authorizing the Securities and Exchange Commission. This amendment is designed to put money back in the pockets of American investors. Today, the Securities and Exchange Commission takes in over \$600 million in fees annually—which is double the amount it costs to run the place. This surplus in fee revenue over the cost of running the agency amounts to a tax on capital paid by all investors, including individual investors relying on mutual funds or pension plans to secure their retirement, their children's education, and their future financial security.

Title III was crafted with the cooperation of Chairman ROGERS and Chairman ARCHER to

reauthorize the Securities and Exchange Commission and provide a stable long-term mechanism for funding the agency. At the same time, this funding mechanism reduces surplus fees—this tax—paid by investors.

I introduced the legislation that I offer today as title III together with my friends JOHN DINGELL, ranking member of the Commerce Committee, Telecommunications and Finance Subcommittee chairman, JACK FIELDS, and the ranking member of the Subcommittee, ED MARKEY. In addition, this funding legislation is endorsed by Securities and Exchange Commission chairman, Arthur Levitt.

Working together, we developed legislation that reduces SEC fees by \$751 million between fiscal years 1997 and 2002, and then reduces SEC fees by at least \$256 million per year than they would be under current law. In fact, this legislation is likely to be the first bipartisan tax cut to pass through the House this year.

Equally importantly, Chairman ROGERS has agreed to work with us to provide a more stable funding mechanism for the SEC, so that the Commission can focus on its substantive work rather than annual or biannual funding emergencies.

This legislation is vitally important. It is the first significant, sweeping reform to the regulation of the American securities markets in decades. It will help free up the capital that fledgling and growing businesses need to hire employees, build equipment, create new products. It will create jobs. And it represents another example of how productive and positive this Congress can be working together with our friends on both sides of the aisle. The amendment I offer today, I believe, makes this excellent piece of legislation even stronger, and I urge my colleagues to support it.

FORT HANCOCK CENTENNIAL

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Mr. PALLONE. Mr. Speaker, on Saturday, June 29, 1996, the Sandy Hook Unit of the Gateway National Recreation Area and the Sandy Hook Foundation will hold a celebration of Fort Hancock's first 100 years.

It will be a great honor for me to join with New Jersey Governor Whitman, other elected leaders, military officials, veterans and community leaders in paying tribute to this beautiful and exceptional facility located in northeastern Monmouth County, NJ. Saturday's festivities will include historic military re-enactments, modern military equipment and personnel, children's activities, open houses and music, culminating in a fireworks display.

Mr. Speaker, Fort Hancock is located on the northern tip of Sandy Hook, a six-and-a-half mile long peninsula between Sandy Hook Bay and the Atlantic Ocean. The history of Fort Hancock as an important military site goes back to the Revolutionary War. The original fort was built during the War of 1812. In 1895, army engineers at Sandy Hook had just finished building the first two concrete gun batteries ever constructed to defend an American harbor, protecting the vital shipping lanes of the New York-New Jersey Harbor. The next step was construction of housing for the sev-

eral hundred soldiers needed to man the new emplacements. Pursuant to a general order issued by the Secretary of War, the fortifications at Sandy Hook were named in honor of Maj. Gen. Winfield Scott Hancock, who fought valiantly for the Union in the Civil War and was wounded at the Battle of Gettysburg—General Hancock also ran unsuccessfully for President against James Garfield, another great American whose name came to be associated with the Jersey Shore.

It was in the summer of 1896 that the plans and layout for the Fort Hancock facilities were developed, with construction work being completed in 1899. The results were remarkable, a collection of graceful structures of great architectural distinction, including Officers' Row, the Oak Club Inn, the Officers Club, a theater, an auditorium, a PX Club and gymnasium, as well as barracks for enlisted personnel. The military and civilian population averaged between 500 and 800 during this period. Children of personnel living on post attended the Fort Hancock Public School. Many of these structures are still impressive to this day, although in some need of renovation. Indeed, visitors to Sandy Hook, after exploring the ocean- and bay-side beaches, sand dunes and other environments on the peninsula are often amazed to find what seems to be a ghost town on this isolated location, but in full view of the New York skyline.

Fort Hancock played a major role in both of the World Wars, providing temporary quarters for troops departing for war in Europe, as well as serving as a reception center for returning personnel. In 1939, the King and Queen of England passed through while on a national good will tour, and later that year President Franklin Delano Roosevelt visited the fort. While World War II proved to be perhaps the busiest time in the fort's history, the changes in military tactics and technology had made the fort's harbor defense role largely obsolete. However, during the early decades of the cold war, Fort Hancock was still used as the site for anti-aircraft guns and later as a Nike air defense missile deployment site. The fort was deactivated in 1974.

IN 1975, the National Park Service took over the entire Sandy Hook peninsula, and a number of the fort buildings have been used by education, scientific and environmental organizations. In 1982, the Department of the Interior designated all of Sandy Hook as a National Historic Landmark.

Mr. Speaker, it is a great honor for me to pay tribute to Fort Hancock, which has played such a proud and important role in the Jersey Shore and in the defense of our Nation and continues to be a popular destination for thousands upon thousands of visitors each year.

THE GLAZAS ARE GOLDEN

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Mr. BARCIA. Mr. Speaker, people have a natural tendency to value that which is precious, and many believe that gold is most precious. When we look at important moments in the lives of our families and friends, one of the absolutely most precious moments is their 50th anniversary. I am proud to let our colleagues know that this Sunday, June 30, Walter and Valerie Glaza will be celebrating their