

Unfortunately, when individuals change jobs, they are not able to continue the same level of pension benefits. This fact is especially true if the individual's pension plan is a defined benefit plan. Today, I am introducing legislation which takes steps towards improving pension portability upon employment separation. The legislation improves pension portability for both defined benefit and defined contribution plans.

For defined contribution plans, the legislation reduces the current vesting period of five years for employer contributions to three years. For both defined benefit plans and defined contribution plans, the legislation requires the employer to offer the employee the option of receiving a lump sum distribution to an individual retirement account (IRA). The employer has to make this offer to the employee within 90 days of termination of employment. The employee does not have to take this option because in some situations this would not be the best option for the employee.

The lump sum would be directly transferred to an IRA. These funds would be subject to a higher penalty than the current law penalty of 10 percent for withdrawals made prior to the taxpayer reaching age 59½. Withdrawals would be subject to a 25 percent penalty for the first two years and then it would be 10 percent. These penalties are the same penalties as for simple IRAs. The 10 percent penalty would be waived for the three allowable purposes under current law which are first time purchase of a home, costs of higher education, and medical expenses.

The legislation waives the 10 percent penalty for withdrawals made before age 59½ for individuals who have received 12 weeks of unemployment compensation. This provision is to help those who have lost their job and need to use their retirement savings to make ends meet during difficult financial times.

TRIBUTE TO JOSEPH PICCONE,  
UNICO HONOREE OF THE YEAR

**HON. MICHAEL F. DOYLE**

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, January 27, 1998*

Mr. DOYLE. Mr. Speaker, I rise today to put a face and a name to the spirit that embodies one of the strengths of our country: community involvement. Community involvement that stems from a life of dedication and determination. It is a distinct privilege to extend my congratulations to Joe Piccone, Unico Honoree of the Year.

For many, Joe represents the optimum response to the question "What could be?". A child from Civitella, Joe created success in the United States in part due to the strength provided by his culture and customs, and his actions have served to improve the environment and the lives of others. It is fitting that such an outstanding organization recognize the example Joe Piccone sets for commitment to excellence. Sharing Joe's Italian heritage, I am extremely proud to call the honoree a friend and greatly appreciate having this opportunity to express my sincere respect for him.

Businessman, husband and father, or friend; Joe brings an enthusiasm that underscores the importance of engaging yourself in life

even with regard to the most ordinary, everyday occurrences. Joe's life illustrates the profound effects that result from love and perseverance. Joe, I salute your most recent accomplishment and offer my best wishes to you and your family for continued success.

TAIWAN STANDS TALL  
FINANCIALLY AND POLITICALLY

**HON. GERALD B.H. SOLOMON**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, January 27, 1998*

Mr. SOLOMON. Mr. Speaker, during the January recess I had an opportunity to visit the Republic of China on Taiwan. I met with President Lee Teng-hui, Foreign Minister Jason Hu, and other leaders. We discussed a number of interesting issues.

One issue was the current financial turmoil affecting Asia. It is interesting to note that Taiwan, so far, has remained relatively unscathed and has stood out as one of the few strong Asian economies. It has close to \$90 billion of foreign currency deposits. Its banking sector is not as exposed as other economies to real estate and stock market speculation. Its currency has depreciated 20 percent against the dollar but will remain stable.

The Taiwan economic miracle has shown resilience and dynamism during the past months of Asian meltdown. The economic growth rate for Taiwan in 1997 reached 6.72 percent, the highest in 5 years. Taiwan's economic vitality can also be seen in its low foreign debts. Its total foreign debt amounts to less than \$100 million.

Taiwan's economic stability stemmed mainly from sound planning for strong growth and development, financial reform, economic liberalization, and the acceleration of privatization.

The Financial Times of London and the Asian Wall Street Journal recently described Taiwan as the "Switzerland of the Orient." Such accolades about Taiwan speak volumes about the strength and vitality of Taiwan's economy and Taiwan's potential to become a full-fledged developed economy by the turn of the century.

President Lee, Foreign Minister Hu and I also discussed Taiwan's relations with the mainland. Taipei has reiterated its "three nos" and "three musts" policies toward the Chinese mainland. The "three nos" refer to no Taiwan independence, no hasty unification and no confrontation. The "three musts" are the maintenance of peace, the continuation of exchanges and the search for a win-win situation that benefits both Taiwan and the mainland.

Foreign Minister Hu told me that Taipei and Peking must learn to treat each other with respect and work toward collective cooperation. Taipei has always kept its door open for negotiating with Peking and that cross-strait talks should be resumed as soon as possible.

Foreign Minister Hu, the former ROC representative in Washington, is young and energetic. During the last three months as his nation's top diplomat, he has traveled to Africa, consolidated friendship and relations for his country worldwide. In my conversations with him, he discussed the importance of Taiwan-US relations.

Minister Hu reminded me that Taipei has no intention of interfering with the development of

US-PRC relations and that Taipei hopes that the US will abide by the Taiwan Relations Act and its regulations regarding arms sales to Taipei. Moreover, he hopes that the US will not change its consistent position on the sovereignty of Taiwan, since the US has never recognized that the PRC enjoys sovereignty over Taiwan.

Minister Hu also drew my attention to the trade relations between Taipei and the US. Citing Taiwan's purchase of American agricultural exports as one example of the strong trade relations between the two countries, he mentioned Taiwan is the fifth largest market for American agricultural exports. In 1996 Taiwan's imports of American agricultural products were US\$2.9 billion; by contrast, the PRC is the seventh largest market for American agricultural exports. Taiwan, in fact, is one of the most important markets for US goods.

Apart from strong trade relations between Taiwan and the US, Minister Hu stressed that the peoples of Taiwan and the United States share the same system of values. Taiwan's democratization has gained recognition from the American public and he hopes that the United States will continue to treat both Taiwan and the Chinese mainland fairly and make efforts for Taiwan and the mainland to settle the reunification issue peacefully.

I was very impressed with Taiwan's financial and political development. And Mr. Speaker, a little history is in order as well. You know, Taiwan is one of the best friends America has ever had. Back during the Cold War, we in America really didn't have a more steadfast ally in our struggle against Communism than the people of Taiwan.

They were integral in stopping the spread of that deadly system in Asia, and for that we owe them a debt of gratitude.

And with the successive free elections over the past few years, the obvious respect for human rights that is evidenced there, and the good neighborly policy they follow in foreign affairs, it is obvious to all honest and well-meaning people that the Republic of China on Taiwan, and not the Communist dictatorship in Beijing, represents the correct model for the future of Chinese civilization. This will remain true no matter what kind of reforms the regime in Beijing attempts, and no matter what kind of policy the West pursues vis-à-vis that regime, as long as the Communists remain in power.

Mr. Speaker, after my trip, I am more convinced than ever that Taiwan is one of the few true democracies in Asia worthy of our support.

TRIBUTE TO EDUARDO PALACIOS

**HON. HOWARD L. BERMAN**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, January 27, 1998*

Mr. BERMAN. Mr. Speaker, I am honored to pay tribute to my good friend Eduardo Palacios, who for 27 years has been a bona fide hero to hundreds if not thousands of immigrants in the San Fernando Valley. In 1971, Eduardo started an immigrant rights and resource clinic in a tiny one-room office in the City of San Fernando. Today these kinds of centers are common, but that wasn't the case in the early 1970s.

Eduardo was motivated by the humanitarian concerns and a strong sense of Chicano