

last 3 years. In June 1992, I wrote to the General Accounting Office [GAO] to request a comprehensive study of the derivatives market. At that time, the subcommittee noted that the trading of new and complex derivative products by financial institutions and their customers had greatly increased in recent years, creating a corresponding need to assure that knowledge of how to manage and oversee the risks associated with these products was keeping pace.

The GAO derivatives study submitted on May 19, 1994, in response to the subcommittee's request, has identified some serious gaps in the current legal and regulatory structure relating to OTC derivatives.

The GAO made a number of important recommendations for reforms in the regulation of financial derivatives disclosure, financial accounting, and dealer regulation. Of particular concern to me was GAO's finding that serious gaps existed in the current legal and regulatory framework that allows derivatives dealers affiliated with securities firms or insurance companies to largely escape the type of regulations which are already in place for derivatives dealers affiliated with banks. GAO also identified potential gaps in antifraud and antimanipulation enforcement authority, and sales practice regulation. In response, the GAO recommended that this "black hole" be plugged by granting a Federal regulator, such as the Securities and Exchange Commission, appropriate authority to conduct examinations and set capital standards for these currently unregulated dealers.

The subcommittee closely examined the derivatives markets and the findings and recommendations of the GAO study in oversight hearings held on May 10, 19, 25, and July 7th of last year. Based on the information gathered in the course of these hearings and other inquiries, I have crafted a piece of legislation which would close the most glaring legal gap affecting the derivatives markets—the presence of virtually unregulated OTC derivatives dealers in the market.

This bill will close the regulatory "black hole" that has allowed derivatives dealers affiliated with securities or insurance firms to escape virtually any regulatory scrutiny. It will give the SEC the tools needed to monitor the activities of these firms, assess their impact on the financial markets, and assure appropriate protections are provided to their customers against any fraudulent or abusive activities. It is not a radical restructuring of the derivatives market; it is focused laser-like on the real gaps that exist in the current regulatory framework that need to be closed, and closed now before we have our own Barings PLC disaster right here in America.

I urge my colleagues to cosponsor and support this important legislation.

TO EXTEND A NUTRITION ASSISTANCE PROGRAM TO AMERICAN SAMOA

HON. ENI F.H. FALEOMAVAEGA

OF AMERICAN SAMOA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 27, 1995

Mr. FALEOMAVAEGA. Mr. Speaker, I rise today to introduce a bill to provide permanent funding for a nutrition program in American Samoa.

The American Samoa Nutrition Assistance Program currently in existence is funded on an annual basis out of discretionary funds from the Department of Agriculture. The national Food Stamp Program is not available in American Samoa, and the program in Samoa serves as a modified Food Stamp Program in that only the blind, severely disabled, and poor elderly are eligible for benefits. Benefits are also limited in that they vary between \$50 and \$125 per month, depending on the income of and the assets owned by the recipient.

Unfortunately, the method of annual appropriations used for American Samoa's Nutrition Assistance Program is unsatisfactory in that the level of funding, or perhaps more appropriately the existence of any funding, is subject to annual appropriations. I can see no reason why funding for the Food Stamp programs for the 50 States, the District of Columbia, and for all but one of the U.S. Territories should come from one source, and the funding for American Samoa's program should come from a different source.

Mr. Speaker, I believe American Samoa's nutrition assistance program is a model to be followed by other U.S. jurisdictions in that no benefits are available for the able-bodied. As I stated earlier, the only recipients are the poor blind, severely disabled, and the elderly. The cost of the program for fiscal year 1995 is \$5.5 million, a cost which could easily be absorbed within the multi-billion dollar contingency fund of the national program, and I urge my colleagues to join me in addressing this variance in national policy and support this bill.

Mr. Speaker, I submit the bill to be printed in the RECORD, as follows:

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF NUTRITION ASSISTANCE PROGRAM TO AMERICAN SAMOA.

The first sentence of section 601(c) of Public Law 96-597 (48 U.S.C. 1469d(c)) is amended by inserting before the period at the end the following: ", and the Secretary of Agriculture shall extend a nutrition assistance program conducted under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) to American Samoa".

TERESA MCGOVERN

HON. JOHN JOSEPH MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 27, 1995

Mr. MOAKLEY. Mr. Speaker, last December, Senator George McGovern's daughter, Teresa, died in Madison, Wisconsin—losing her long battle with alcoholism. Terry was a remarkable young woman who cared deeply about others and cared passionately for this country. I recall meeting her in Boston back in 1972 when her father ran for the presidency. She was intelligent, articulate and totally dedicated to making our Government reflect the very best in our Nation.

Since her death, the McGovern family has courageously talked publicly about the ravages of Terry's alcoholism and their attempt to deal with it. In an excellent article which recently appeared in Parade magazine, George McGovern eloquently and painfully describes

the impact that this disease had on his daughter and his family.

The article follows:

WHAT I LEARNED FROM MY DAUGHTER

(By George McGovern)

On the 10th day of June, 1949, my wife, Eleanor, gave birth to a 6-pound, 14-ounce baby girl, whom we named Teresa. "She's a beautiful little porcelain doll," said an admiring artist friend. We agreed that we had brought forth a creature of remarkable beauty and charm. That was the way I saw her for the next 45 years, through laughs and joys, anxieties and tears.

From the beginning, Teresa blossomed into an engaging, fun-loving, quick-witted child—a special joy in our family. She later developed a notable sense of compassion, insight and sensitivity toward others, communicating easily with people about their concerns and aspirations, disappointments and victories.

The day of Teresa's birth was hot and dry in Mitchell, S.D., the temperature around 90 degrees. Forty-five years later, on Dec. 12, 1994, the ground was covered with snow in Madison, Wis., and the temperature was far below freezing. That night, Teresa died in the snow in a lot, out of sight of passersby. "Hypothermia due to exposure while in a state of acute alcohol intoxication," read the Dane County coroner's report.

We had dreaded such a report for years. Terry's troubles seem to have started as early as high school, when she had the first indications of depression and then experimented with alcohol with teenage friends. She seemed to have been born with a vulnerability to both depression and alcoholism. To whatever extent genes influence these matters, there is a pattern of alcoholism in some of my Irish ancestry, just as there is a pattern of depression in some of Eleanor's English and Norwegian ancestry.

Terry's dependence on alcohol seemed both to enhance and to result from the depression. It was a vicious circle. When she achieved periods of sobriety she sometimes was afflicted with a depression that seemed to trigger a relapse into alcohol consumption. When doctors finally found a medication that was somewhat successful in combating her depression, the medication often would be neutralized by drinking bouts that she seemed powerless to control.

A glass or two of wine or a cocktail can be a pleasant and relaxing experience for most people. But to the 15 million or more Americans like Terry who are alcoholics, there is no such thing as a casual glass of wine. In Terry's case, she drank until she collapsed or blacked out. During her last five years, she was admitted to Madison's Tellurian detoxification center 76 times. Sometimes she checked in voluntarily. More frequently she was taken there after she had collapsed in a bar or on the street or in her home.

Terry couldn't seem to stop drinking, but she fought the addiction with tenacity for most of her life. With pressure from Eleanor and me, as well as her sisters and brother, she agreed to treatment in some of the best centers in the nation. These painstaking, sometimes expensive programs, combined with attendance at AA meetings, brought her sobriety for periods of time—days, weeks or months, and once for seven years, as she gave birth to and lovingly nurtured her daughters, Marian and Colleen, who remained the central passions of her life—except for alcohol, her hated master.

She devoured pamphlets and books on alcoholism. She searched the Bible and other spiritual sources for guidance and insight.

She pursued "users" in recovery who would share their secrets with her. She talked to her patient, unfailing mother about her struggle.

My office staff knew Terry had a problem that frequently took precedence over all else in my life. Especially in the years since I left the U.S. Senate in 1981, Terry has never been far from my consciousness and concern. In the 1960s and early '70s, the Vietnam War and the excesses of the Cold War became such obsessions with me that I ran for the Presidency in 1972 to offer a different course. But Terry became my obsession in the 1980s and '90s. Only another parent with an alcoholic or otherwise chemically addicted child can begin to comprehend the endless concern and anxiety, anger and resentment, excited hopes and disappointments, exhausting and sometimes frightening experiences that go with loving and caring for an alcoholic offspring.

Two years ago, while having lunch with Michael Deaver, a long-time aide to former President Reagan, I mentioned my deep concern over Terry's drinking problem. He arranged for her to go through one of the finest treatment programs in the nation—Father Martin's Ashley rehabilitation center in Havre de Grace, Md. After six weeks of a seemingly successful recovery, Terry was urged to live for the next six months in the protective environment of a halfway house. Terry, however, was desperate to return to Madison to be near her daughters, so she rejected this advice. Eleanor agreed to go with her to Madison and stay until Terry could get settled. With her usual patience and love, Eleanor remained with Terry for two weeks. On the day of her departure, Terry started drinking again. Eleanor returned home—her heart broken one more time.

A few months later, we persuaded Terry to enter a program at the National Institutes of Health in Bethesda, Md. She cooperated with all aspects of the agenda, and so did Eleanor and I, which involved counseling and group-discussion sessions with family members of other patients. We were highly encouraged by Terry's seeming success.

On the morning of the completion of the program, I happily brought Terry home. She asked if she could use the car for a few minutes to pick up a prescription at a drugstore nearby. Three hours later, I was called by a friendly bartender who told me that Terry had collapsed from drinking. It pains me even now to recall the sad and bitter disappointment, the personal regret and doubt about my own judgment that followed.

One of the things I learned from experiences like this was to separate my feelings toward the alcoholic whom I loved from the alcoholism which I hated. Some of her friends would tell me that there were two Terry's—the sober one whom they cared about and the intoxicated one whom they could not stand. I understand this well-meaning sentiment, which I sometimes held. But it is wrong. There was never more than one Terry—a Terry who usually brought joy to her friends but at other times transferred to others her own suffering. If a member of the family were suffering from cancer or AIDS, we would not say that we love them when they are healthy but despise them when they are ill. So it should be with alcoholism, a frequently fatal disease. The same disease that hurts the alcoholic's family and friends hurts and demoralizes the alcoholic vastly more.

I developed an exchange with Terry that seemed to work for both of us. "Who is ahead today—you or the demon?" I would ask. She loved that way of posing the problem. It's okay to love your family member or friend and despise the demon that attacks him or her.

What parents discover is that they are powerless to overcome the addiction that's destroying their precious creation. A friend of Terry's, from one of America's most celebrated families, says she saved his life by persuading him to go forward with alcohol treatment. He sent us an eloquent letter in which he wrote: "Senator, not all the Senators of all the Congresses could legislate a person sober. And Mrs. McGovern, no amount of love expressed by good mothers like you can birth sobriety."

You can assist, advise, agonize, pay and pray, but you cannot deliver sobriety. And in many cases, neither can the victim, no matter how hard she or he tries.

However, another thing I learned is that you must never abandon hope. Never give up on the alcoholic, and don't let him or her give up. If you have a spiritual faith or wish to develop one, use the power of prayer. Share that hope and faith with the victim. Terry died at age 45. She probably would have died at 18 or 30 or 40 had it not been for her faith and the faith of others.

I believe that alcoholism and other chemical dependencies constitute America's No. 1 social problem. Every year, victory eludes 100,000 Americans like Teresa, who die of alcoholism. Countless others suffer from the loss of employment, the neglect of their families, the breakup of marriages, a sense of shame and defeat—all of this, plus constant danger and distress.

We must support the good treatment centers and urge public officials to support adequate funding for alcoholism research and rehabilitation. Unfortunately, funds recently have been cut back. The price of this "economy" includes more suffering and death from alcohol and other drugs, more loss of productivity, and more disorder and crime. For every dollar saved in cuts, we will spend several times that much in future costs—some of which are immeasurable.

IF SOMEONE YOU LOVE IS AN ALCOHOLIC:

More than 15 million Americans drink too much, according to some experts. Alcoholism has no known cure, but the National Council on Alcoholism and Drug Dependence (NCADD) says the disease can be stopped. In fact, there are more than 1.5 million Americans in recovery. Here are some of the council's recommendations when dealing with an alcoholic:

1. Recognize that alcoholism is a disease and not a moral failure or lack of willpower.
2. Learn as much as you can about the disease. Many libraries have sections on alcoholism, addiction and related subjects.
3. Don't become an "enabler." An enabler is a person close to the alcoholic who supports or "enables" the drinking by pretending that there isn't a problem (denial), or by protecting or lying for the alcoholic.
4. Avoid "home treatments." Don't try to solve a loved one's drinking problem by preaching, complaining, acting like a martyr or reasoning with the drinker. An alcoholic needs help from experts, such as Alcoholics Anonymous.
5. Get help for yourself. One of the hallmarks of the illness is that it affects everyone close to the alcoholic. Many treatment programs provide help for those affected by another person's drinking.

REGULATORY TRANSITION ACT OF 1995

SPEECH OF

HON. RONALD D. COLEMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1995

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 450), to ensure economy and efficiency of Federal Government operations by establishing a moratorium on regulatory rulemaking actions, and for other purposes:

Mr. COLEMAN. Mr. Speaker, I rise today to express my opposition to the bill H.R. 450. While I support the intentions of the bill, I feel that a regulatory freeze is not only a clumsy but also a dangerous way to achieve the important goal of regulatory reform.

The most frustrating aspect of this legislative session is that day after day, we must face the growing reality of the increasing irrelevance of the House of Representatives. While this body has become the center of American jingoism and bumper sticker solutions, it is quickly moving off the radar screen of policy relevance. A brief glance at the bill H.R. 450 tells us why this is happening.

The stated goal of H.R. 450 is a good one to ensure the economy and efficiency of the Federal Government. This has been one of the most vehemently pursued goals of the Clinton Administration. With a firm commitment to reinventing government, the Administration has doggedly pursued the goal of regulatory reform. They have put an end to the explosion of senseless regulations that occurred under the Republican administrations of Ronald Reagan and George Bush. In short, the stated goal of this bill is already being pursued systematically, intelligently, and relentlessly under President Clinton. The simple fact is that the goals of H.R. 450 are being achieved already. The only reason that the majority party feels compelled to take up the regulatory struggle is because they know it is a good chance to take the wind out of the sails of the Clinton administration. It is a bill entirely motivated by politics.

But the problems of this bill don't end with its redundancy. H.R. 450 is also bad policy. In order to achieve the stated goal of government economy and efficiency, the bill proposes a moratorium on regulations that is retroactive through November of last year. Freezing regulations is not an intelligent way to streamline government. This is an excellent example of the extremism of the Republican party in this House.

Freezing all Federal regulations will potentially expose the people of America to countless dangers. The EPA has indicated that standards to reduce the presence of lead and dioxins in the air will be put on hold, as will efforts to remove dangerous disinfectant byproducts and microbiological contaminants in water. Further, the development of safe alternatives to ozone depleting chemicals will be put on hold. The Department of Labor will not be able to finish outlining the regulations that will guide the implementation of the Family Medical Leave Act. The Department of Agriculture will not be able to prevent the importation of animals and animal products infected with bovine spongiform encephalopathy, or