What is more, the only viable domestic timber supply comes from the Federal Tongass forest. Please keep this history in mind the next time the Tongass issue comes before Congress.

## CONGRESS' COMMITMENT TO VETERANS

### HON. J.D. HAYWORTH

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, August 1, 1996*

Mr. HAYWORTH. Mr. Speaker, on July 30, 1996, the House of Representatives passed two bills that are critically important to our Nation's veterans: H.R. 3586, the Veterans Employment Opportunity Act, and H.R. 3118, the Veterans' Health Care Eligibility Reform Act of 1996. These bills reaffirm Congress' commitment to veterans who came to the defense of our Nation in times of need.

H.R. 3586 responds to growing concerns that the viability of veterans' preference in the Federal work force is being threatened. When veterans leave the military to become civil servants, they should not be forced to start their careers over again. Rather, their military experience should carry over into their Government service. Unfortunately, Mr. Speaker, this is not always the case. That is why it is important for Congress to pass this legislation, and forward it to the President for his signature.

This bill rightly removes impediments veterans face during hiring, and strengthens their rights during agency downsizing. In addition, H.R. 3586 establishes, for the first time, a system for redress for veterans who believe their rights have been violated in the workplace. This legislation recognizes that veterans should have the same rights and privileges the rest of the work force enjoys. When veterans enter the workplace after serving their country, they will be no longer relegated to the status of second-class citizens. Rather, they will be rewarded with jobs that take into account their previous military experience.

While veterans need and deserve jobs, they also need adequate and expanded health care. For this reason, the House passed H.R. 3118, which will update and simplify rules governing VA medical care and substantially expand veterans' eligibility to receive treatment on an outpatient basis. As the VA moves from expensive inpatient care to more cost-effective primary and outpatient care, it is important that Congress recognizes the potential of serving more veterans at a lower cost in outpatient centers. H.R. 3118 moves toward this goal by helping the VA shift its focus to outpatient centers so that more veterans will be able to access these facilities.

Another key element of H.R. 3118 is expanded veterans' access to VA health care by eliminating statutory rules which for years have prohibited the VA from providing many veterans with routine outpatient treatment and preventive care. If this legislation becomes law, access will be expanded for veterans with service-incurred disabilities or low incomes by allowing them to receive their care at outpatient facilities, which has been prohibited by outdated rules. By shifting our focus to outpatient facilities, our Nation's veterans will be better served because these centers can provide care in less populated areas in a more cost-effective manner.

Mr. Speaker, let me conclude by saying this: Every one of our Nation's veterans is a hero. Without them, our country might not be able to enjoy the freedom and prosperity that we, as Americans, cherish today. Veterans have kept their promises to the Government. We must honor our commitment to them by providing veterans with the necessary tools for survival. These include work and health care. H.R. 3568 and H.R. 3118 provide veterans with more work opportunity and expanded health care, and these bills personify this Congress' deep commitment to the veterans who valiantly fought for our great country. I commend my colleagues for supporting this legislation, and will continue to work with them to pass important legislation that benefits veterans.

## PERSONAL EXPLANATION

### HON. WILLIAM M. THOMAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, August 1, 1996*

Mr. THOMAS. Mr. Speaker, On Wednesday, July 31, 1996, I missed vote No. 384, the Studds substitute to the International Dolphin Conservation Program Act. Had I been present I would have voted ''no''. I was detained as I was taking part in the public announcement with all of my colleagues who negotiated the final agreement on the health care reform bill.

## FED MOVES TO KEEP U.S. BANKS COMPETITIVE

### HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, August 1, 1996*

Mr. LAFALCE. Mr. Speaker, I would like to commend the Federal Reserve Board for its proposal yesterday facilitating the ability of bank holding companies to compete with securities firms in underwriting debt and equity securities for their corporate customers.

In 1987, the Federal Reserve Board authorized the securities subsidiaries of bank holding companies—commonly referred to as section 20 subsidiaries—to underwrite and deal in corporate debt and equity securities to a limited degree. After 9 years of experience supervising the underwriting activities of section 20 subsidiaries, the Federal Reserve now believes it appropriate to make some modifications in the restrictions that currently apply to the underwriting activities of these section 20 securities subsidiaries. This is an appropriate and timely action by the Federal Reserve.

In 1987, when it first authorized section 20 subsidiaries, the Board established as revenue test to ensure compliance with section 20 of the Glass-Steagall Act, which prohibits a bank from affiliating with a firm ''engaged principally'' in securities underwriting and dealing. This revenue test limited the amount of revenue that section 20 subsidiaries could derive from underwriting and dealing in the types of securities that banks themselves were not allowed by the 1933 Glass-Steagall Act to underwrite—specifically, corporate debt and equity securities.

In order to gain experience with supervising the underwriting activates of section 20 subsidiaries, the Board initially limited the revenue derived from debt and equity securities to 5 percent of total revenue of the subsidiary. Then in 1989, the Board raised the limit to 10 percent.

Many observers of the financial services market have long believed that the 10 percent revenue limitation imposed by the Federal Reserve in 1989 was a very conservative interpretation of the ''engaged principally'' test in section 20 of the Glass-Steagall Act. And even if this limitation was justified in 1989, the Board has now benefited from many years of experience supervising the securities activities of section 20 subsidiaries and is confident that these subsidiaries have operated in a safe and sound manner.

Based on its substantial experience, the Board has now concluded that the current 10 percent revenue limitation is unduly restrictive of the underwriting and dealing activities of section 20 subsidiaries. Therefore, the Board is proposing to increase the revenue limit from 10 percent of total revenues to 25 percent.

This decision by the Federal Reserve to use its clear authority under existing law is absolutely essential. In the absence of congressional action, it is the only way to keep our banking system competitive. Despite lengthy debate, this Congress will not be able to pass a broader financial modernization bill repealing the relevant sections of the Glass-Steagall Act, in order to allow full affiliation between banks and securities firms, with appropriate prudential safeguards. Given this reality, it is essential that the Federal Reserve exercise its authority to interpret existing law in a manner that is responsive to developments in the financial marketplace.

It should be emphasized that the House Banking Committee did take appropriate action last year with respect to repealing and modifying various sections of the Glass-Steagall Act. Regrettably, the broader financial modernization legislation ultimately became entangled in disagreements among affected parties. It would certainly be preferable for Congress to be able to pass truly comprehensive financial modernization legislation, providing a level playing field for all participants. However, the reality is that such an outcome is not possible this year.

It should be acknowledged that for many years the financial market has been evolving in a way that clouds the distinction between banking and securities activities. This is particularly true with respect to the activities of financial institutions—both banks and securities firms—that conduct a wholesale business directed at meeting the financing needs of corporate clients. These corporations are looking for a financial institution able to serve all their financing needs—borrowing, issuing securities, arranging private placements, risk management, and so forth. Wholesale financial institutions need to be able to provide those financing services as efficiently as possible, without segmenting their business in ways that have little to do with safety and soundness.

Having been successful in winning substantial underwriting business from corporate customers, some of the section 20 subsidiaries affiliated with the largest money center banks—including those of J.P. Morgan & Co., Bankers Trust New York Corp., and Chase Manhattan Corp.—are very close to their revenue limit. Without an increase in the revenue

limit, some section 20 subsidiaries would therefore be restricted in their ability to compete with securities firms for the underwriting business of corporations, thereby decreasing competition in the underwriting market.

On the other hand, if the Federal Reserve's proposal is implemented and the revenue limit in increased, the effect will be to enhance competition in the corporate underwriting market, bringing the potential to benefit corporate issuers with lower underwriting costs. Such lower underwriting costs are ultimately passed through to consumers and shareholders, and also stimulate job creation.

As part of this proposal to increase the revenue limit for section 20 subsidiaries, the Board is also proposing for the second time revisions to three of the prudential limitations, firewalls, established in its original section 20 decisions. Specifically, the Board is proposing to ease or eliminate the following three restrictions on section 20 subsidiaries: First, the prohibition on director, officer and employee interlocks between a section 20 subsidiary and its affiliate banks, the interlocks restriction; second, the restriction on a bank acting as agent for, or engaging in marketing activities on behalf of, an affiliated section 20 subsidiary, the cross-marketing restriction; and third, the restriction on the purchase and sale of financial assets between a section 20 subsidiary and its affiliated bank, the financial assets restriction.

These firewall issues are relatively technical in nature. In general, however, the Board is confident that these firewall modifications can be made without in any way threatening the safety and soundness of the bank affiliate of section 20 subsidiaries, causing confusion to customers, or having a harmful affect on the operations of the section 20 subsidiary itself.

Again, I commend the Federal Reserve Board for its proposal and encourage my colleagues to support the Board in carrying out its authority to interpret banking laws in a manner which encourages a competitive marketplace able to respond to the needs of all consumers.

## 25 YEARS OF EXCELLENCE

### HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, August 1, 1996*

Mr. DELLUMS. Mr. Speaker, I rise to honor the 25th Anniversary of Community Economics, Inc., a nonprofit organization in Oakland, CA instrumental in helping communities in Northern California's Bay Area and throughout the United States pursue the important goal of providing decent, safe, affordable housing to residents and communities. I also wish to acknowledge and honor co-directors Janet Falk and Joel Rubenzahl who have provided a combined 37 years of service as dedicated staff members to Community Economics. These remarkable individuals have spent a total of 50 years committed to the development of housing for low-income people.

Community Economics, in 1971, began as the Community Ownership Organizing Project, to study opportunities for community-based economic development. Recognizing the critical need for affordable housing, the organization later focused its resources to develop programs for such living units and incorporated as Community Economics in 1977. The growth of Community Economics, paralleling the growth of nonprofit organizations, became the key vehicle for providing affordable housing and other greatly needed services in our communities.

Community Economics has supported and worked with numerous such nonprofits, providing technical assistance and helping to secure funding, and investor dollars for the development of safe, decent, attractive, and affordable housing. With the introduction of the Federal Law Income Tax Credit in 1986, Community Economics helped lead the way, assisting nonprofit organizations to best utilize the program and enabling corporate investors to form partnerships directly with nonprofits, maximizing the investment dollars to benefit communities. Over the past 25 years, Community Economics has worked with nonprofit organizations to develop over 13,000 units of housing for low-income families, seniors, and people with special needs.

After joining the organization in 1976, Joel Rubenzahl led the organization's move into the area of housing and its work with corporate investors. This is his twentieth year with Community Economics. In her 17 years with Community Economics, Janet Falk has made important contributions in the areas of advocacy and public policy development, in addition to her work with nonprofit organizations. I join the many organizations and individuals in our activist community to honor Community Economics on the occasion of its 25th Anniversary. We also honor Janet Falk and Joel Rubenzahl, along with the many nonprofit organizations and the individuals that staff them, for their hard work and dedication to the daunting task of providing decent, safe, and affordable housing for all our people.

## HONORING ANATOLI BOUKREEV

### HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

*Thursday, August 1, 1996*

Mr. RICHARDSON. Mr. Speaker, it is my privilege to honor an outstanding resident of my State. Anatoli Boukreev, a Russian mountaineer currently residing in Santa Fe, NM, displayed outstanding courage and uncommon valor by personally saving the lives of three Americans during a snow storm on Mount Everest in mid-May.

On May 10, 1996, a snow and ice storm surprised a large group of climbers in a perilous position on the mountain. As the group broke down into smaller teams in an effort to reach a base camp, Boukreev set out ahead to prepare warm drinks and obtain extra oxygen. As the storm worsened, it became evident to Boukreev that he needed to return up the mountain to help the others. Disregarding the grave danger he was placing himself in, he climbed up the mountain two additional times to save other climbers. By the time he was through, he had been climbing for 24 straight hours.

Boukreev performed a heroic act of which Americans as well as fellow citizens of Russia can be proud. He thought first of others, only succumbing to his own needs when physical exhaustion betrayed him. I am honored to have him as a constituent.

Boukreev has lived in the United States since the ordeal. He is a professional mountaineer, and has an impressive list of climbing accomplishments and related achievements. He is considering establishing part-time residency in the United States and would like to become involved with American climbing groups.

I urge my fellow members to join me in commemorating the bravery of Anatoli Boukreev and congratulating him on his heroic act.

## HONORING PVT. MICHAEL A. CHILDRESS

### HON. ALBERT RUSSELL WYNN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

*Thursday, August 1, 1996*

Mr. WYNN. Mr. Speaker, August 2, 1996 marks a special day for my constituent, Private Michael A. Childress, Jr. of Capitol Heights, MD, as he inaugurates his life defending his country.

Private Childress has made the most honorable decision an American can make to defend his country. Private Childress graduated from Coolidge High School in 1993 and began a promising future as a student at St. Augustine College in Raleigh, NC; however he received the call to defend his country and as a result made the decision to pursue a military career.

Private Childress is an outstanding soldier and has shown exemplary service. He began his career in basic training as platoon leader and continued in a leadership position throughout Advance Individual Training as a class leader. Private Childress will graduate from Advanced Individual Training with the Leadership Award.

Mr. Speaker, I hope my colleagues here in the U.S. House of Representatives will join me in extending congratulations and very best wishes to Private Childress on this momentous occasion.

## A TRIBUTE TO LITTLE FLOWER CHILDREN'S SERVICES

### HON. MICHAEL P. FORBES

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, August 1, 1996*

Mr. FORBES. Mr. Speaker, I rise today to pay tribute to Little Flower Children's Services of Wading River, Long Island, and to the miraculous work this organization does in caring for more than 3,000 infants and children who have lost their most precious possession—their families.

Celebrating its 67th year of existence, Little Flower has grown to become one of Long Island's most respected institutions because of their tireless efforts for these orphaned youngsters of all races, ages and religions. These lost and desperate children come to Little Flower from throughout New York City, Nassau and Suffolk Counties.

The agency was founded in 1931 by the pastor of St. Peter Claver Church in Brooklyn, with the support of hundreds of loyal parishioners who raised funds to purchase a farm in