minds until the time just before retirement. This is far too late to make needed plans to enhance retirement income and further secure their financial security.

I am a strong advocate of any change in our Nation's savings habits which would further strengthen the retirements of women and minorities. These two groups are disproportionately affected by low savings rates because of a much lower earnings rate on average than white males.

If we are to overcome the disparities in the retirement habits of our Nation, we must deal with income levels and the cost of living in different regions around the Nation.

The average annual pay in the city of Houston in 1994 was $30,000. A $30,000 a year income in Houston for a family of four would allow for little savings. Cost of living from region to region or even within States are not equal and this should be taken into account as we work to encourage greater savings and retirement planning.

I ask my colleagues to support this effort to encourage greater savings among our Nation's workers. I would also ask that as other opportunities arise for use to raise the earnings potential or savings rates of minorities that we act.

Mr. PAUL. Mr. Speaker, I rise in opposition to H.R. 1377, the Savings are Vital to Everyone's Retirement Act [SAVER]. Although I applaud the good intentions of the sponsors of this bill, I must oppose H.R. 1377 for two reasons.

First, the proper level of savings should be determined by the free choices of individuals acting in the market. Saving should be a voluntary decision, undertaken because individuals value the greater future rate of return from saving over the value of present consumption not because the Government instructed them that they needed to save. We in Washington cannot judge what the correct level of savings is for any individual much less the entire country. I ask my colleagues, if this program increases the rate of savings beyond the level Congress considers necessary, will we then enact a ''Spending is Vital'' bill to encourage greater consumption?

Second, and perhaps more importantly, H.R. 1377 ignores the primary reason Americans forgo savings: Government policies that discourage the American people from saving. Even creating a Department of Labor-run education program and spending a million dollars on a series of White House conferences will further reduce the rate of savings as payment for these new initiatives will come either from taxes paid directly by the American people or from inflating the currency to monetize the national debt, thus eroding American's purchasing power. Either way, working Americans will be left with less funds available for saving.

I respectfully suggest that it is not the people who need a savings education. They especially do not need it from a government which, the recent claims of the leadership and the administration notwithstanding, cannot balance its own books. Rather, Congress needs to be educated on how the interventionist policies of this Government are eroding the people's standard of living and making it nearly impossible for many Americans to save an adequate amount for their retirement, or any other vital needs, such as their children's education.

Today, the average American pays more than 40 percent of this income in Federal, State, and local taxes. Thus, before the average American even has a chance to consider saving, a substantial portion of his paycheck is stripped from him in order to fund the welfare-warfare state. Federal tax policy further discourages savings through the exorbitant Federal taxes on capital gains, estates taxes, and the double taxation on corporate dividends.

Government policy further reduces incentives Americans have available for savings through the inflationary policies of the Federal Reserve, which erode the average consumer's purchasing power. The average consumer must spend an ever-increasing share of his or her income purchasing necessities, meaning they have less income available to devote to savings. Today, prices are more than 15 times higher, in normal terms, than when the Federal Reserve was established.

This diminishing purchasing power also creates a disincentive to save. When one's earnings will purchase more today than they will in the future, the rational action may very well be to spend the funds in the present. After all, who would trade a dollar's worth of goods today for 50 cents worth of goods in 20 years?

Clearly, a major reason why the United States has a low rate of saving is the crushing tax burden imposed on the American people by the Government and the erosion of their purchasing power. Yet, rather than address how Government policy is destroying American's ability to save, Congress is planning to spend more taxpayer money to educate the American people on the importance of saving.

Mr. Speaker, the American people neither need nor want Congress to spend another penny of their hard-earned tax dollars on educating them on the importance of savings, and they certainly do not need the Federal Government to spend a million dollars to create a conference on savings. Rather, Congress must cease all unconstitutional spending, cut taxes, and prohibit the Federal Reserve from debasing the currency.

Therefore, I urge my colleagues to vote against H.R. 1377, and instead join me in working to eliminate the true obstacle to savings: the unconstitutional leviathan state that is jeopardizing the economic future of America and destroying the American people's incentive to save.

Mr. PAYNE. Mr. Speaker, I yield back the balance of my time.

□ 1130

The SPEAKER pro tempore [Mr. COBLE]. The question is on the motion offered by the gentleman from Illinois [Mr. FAWELL] that the House suspend the rules and pass the bill, H.R. 1377, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FAWELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 1377.

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

There was no objection.

RIEGLE-NEAL CLARIFICATION ACT OF 1997

Mrs. ROUKEMA. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1306) to amend the Federal Deposit Insurance Act to clarify the applicability of host State laws to any branch in such State of an out-of-State bank, as amended.

The Clerk read as follows:

H.R. 1306

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

SECTION 1. SHORT TITLE.

This Act may cited as the ''Riegle-Neal Clarification Act of 1997''.

SEC. 2. INTERSTATE BRANCHING.

Subsection 24(j) of the Federal Deposit Insurance Act (12 U.S.C. 1831a(j)) is amended to read as follows:

''(j) ACTIVITIES OF BRANCHES OF OUT-OF-STATE BANKS.—

''(1) APPLICATION OF HOST STATE LAW.—The laws of a host state, including laws regarding community reinvestment, consumer protection, fair lending, and establishment of intrastate branches, shall apply to any branch in the host State of an out-of-State State bank to the same extent as such State laws apply to a branch in the host State of an out-of-State national bank. To the extent host State law is inapplicable to a branch of an out-of-State State bank in such host State pursuant to the preceding sentence, home State law shall apply to such branch.

''(2) ACTIVITIES OF BRANCHES.—An insured State bank that establishes a branch in a host State may conduct any activity at such branch that is permissible under the laws of the home State of such bank, to the extent such activity is permissible either for a bank chartered by the Host State (subject to the restrictions in this section) or for a branch in the host State of an out-of-State national bank.

''(3) COORDINATION WITH SECTION 44.—No provision of this subsection shall be construed as affecting the applicability of any State law of any home State under subsection (b), (c), or (d) of section 44.

''(4) DEFINITIONS.—The terms 'host State', 'home State', and 'out-of-State bank' have the same meanings as in section 44(f).''.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from New Jersey [Mrs. ROUKEMA] and the gentleman from Minnesota [Mr. VENTO] each will control 20 minutes.

The Chair recognizes the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we are here today to consider very important legislation to clarify the Riegle-Neal Interstate Banking Branching Efficiency Act of 1994. H.R. 1306 will help to protect the dual banking system by preserving the State banking charter as a viable and effective option for State banks that wish to operate in an interstate environment.

It is essential, Mr. Speaker, I stress, to pass this legislation by June 1. On that date, interstate branching becomes effective in 48 out of the 50 States. In the interstate environment