as the Special Committee on the Year 2000 Technology Problem (hereafter in this resolution referred to as the "special committee").

(b) PURPOSE.—The purpose of the special committee is—

(1) to study the impact of the year 2000 technology problem on the Executive and Judicial Branches of the Federal Government, State governments, and private sector operations in the United States and abroad;

(2) to make such findings of fact as are warranted and appropriate; and

(3) to make such recommendations, including recommendations for new legislation and amendments to existing laws and any administrative or other actions, as the special committee may determine to be necessary or desirable.

No proposed legislation shall be referred to the special committee, and the committee shall not have power to report by bill, or otherwise have legislative jurisdiction.

(c) TREATMENT AS STANDING COMMITTEE.—For purposes of paragraphs 1, 2, 7(a)(1)–(2), and 10(a) of rule XXVI and rule XXVII of the Standing Rules of the Senate, and section 202 (i) and (j) of the Legislative Reorganization Act of 1946, the special committee shall be treated as a standing committee of the Senate.

SEC. 2. MEMBERSHIP AND ORGANIZATION OF THE SPECIAL COMMITTEE.

(a) MEMBERSHIP.—

(1) IN GENERAL.—The special committee shall consist of 7 members of the Senate—

(A) 4 of whom shall be appointed by the President pro tempore of the Senate from the majority party of the Senate upon the recommendation of the Majority Leader of the Senate; and

(B) 3 of whom shall be appointed by the President pro tempore of the Senate from the minority party of the Senate upon the recommendation of the Minority Leader of the Senate.

The Chairman and Ranking Minority Member of the Appropriations Committee shall be appointed ex-officio members.

(2) VACANCIES.—Vacancies in the membership of the special committee shall not affect the authority of the remaining members to execute the functions of the special committee and shall be filled in the same manner as original appointments to it are made.

(3) SERVICE.—For the purpose of paragraph 4 of rule XXV of the Standing Rules of the Senate, service of a Senator as a member, chairman, or vice chairman of the special committee shall not be taken into account.

(b) CHAIRMAN.—The chairman of the special committee shall be selected by the Majority Leader of the Senate and the vice chairman of the special committee shall be selected by the Minority Leader of the Senate. The vice chairman shall discharge such responsibilities as the special committee or the chairman may assign.

SEC. 3. AUTHORITY OF SPECIAL COMMITTEE.

(a) IN GENERAL.—For the purposes of this resolution, the special committee is authorized, in its discretion—

(1) to make expenditures from the contingent fund of the Senate;

(2) to employ personnel;

(3) to hold hearings;

(4) to sit and act at any time or place during the sessions, recesses, and adjourned periods of the Senate;

(5) to require, by subpoena or otherwise, the attendance of witnesses and the production of correspondence, books, papers, and documents;

(6) to take depositions and other testimony;

(7) to procure the services of individual consultations or organizations thereof, in accordance with the provisions of section 202(i) of the Legislative Reorganization Act of 1946; and

(8) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable or[1] nonreimbursable basis the services of personnel of any such department or agency.

(b) OATHS FOR WITNESSES.—The chairman of the special committee or any member thereof may administer oaths to witnesses.

(c) SUBPOENAS.—Subpoenas authorized by the special committee may be issued over the signature of the chairman after consultation with the vice chairman, or any member of the special committee designated by the chairman after consultation with the vice chairman, and may be served by any person designated by the chairman or the member signing the subpoena.

(d) OTHER COMMITTEE STAFF.—The special committee may use, with the prior consent of the chairman of any other Senate committee or the chairman of any subcommittee of any committee of the Senate and on a nonreimbursable basis, the facilities or services of any members of the staff of such other Senate committee whenever the special committee or its chairman, following consultation with the vice chairman, considers that such action is necessary or appropriate to enable the special committee to make the investigation and study provided for in this resolution.

(e) USE OF OFFICE SPACE.—The staff of the special committee may be located in the personal office of a Member of the special committee.

SEC. 4. REPORT AND TERMINATION.

The special committee shall report its findings, together with such recommendations as it deems advisable, to the Senate at the earliest practicable date.

SEC. 5. FUNDING.[2]

(a) IN GENERAL.—There shall be made available from the contingent fund of the Senate out of the Account for Expenses for Inquiries and Investigations, for use by the special committee to carry out this resolution—

(1) not to exceed $875,000 for the period beginning on April 2, 1998, through February 28, 1999, and $875,000 for the period beginning on March 1, 1999 through February 29, 2000, of which not to exceed $500,000 shall be available for each period for the procurement of the services of individual consultants, or organizations thereof, as authorized by section 202(i) of the Legislative Reorganization Act of 1946; and

(2) such additional sums as may be necessary for agency contributions related to the compensation of employees of the special committee.

(b) EXPENSES.—Payment of expenses of the special committee shall be disbursed upon vouchers approved by the chairman, except that vouchers shall not be required for the disbursement of salaries paid at an annual rate.

[1] As amended by S. Res. 231, 105th Cong., 2d Sess. (1998).

[2] As amended by S. Res. 231, 105th Cong., 2d Sess. (1998), and by S. Res. 7, 106th Cong., 1st Sess. (1999).

IMF GOLD

Mr. REID. Mr. President, I rise today to insert into the CONGRESSIONAL RECORD an analysis by the noted economist, Michael Evans. This information regards the poorly considered effort by the International Monetary Fund to sell all or part of their gold reserves to ostensibly help poor countries. Dr. Evans is a professor of economics at the Kellogg School at Northwestern University of Illinois. In this detailed analysis, Dr. Evan's reviews the history of recent gold sales and cautions that selling gold often degrades economic performance. Based on this empirical research, Dr. Evans states that countries that have resorted to gold sales have found their currency depreciated, their real growth rate down and their unemployment up relative to countries that did not sell gold.

The IMF has established a policy to "avoid causing disruptions that would have an adverse impact on all gold holders and gold producers, as well as on the functioning of the gold market." The proposal that the IMF is now contemplating would directly conflict with this well-founded rule. In fact, the suggestion of gold sales has already adversely impacted gold holders and gold producers by causing an alarming drop in the price of gold.

Currently, the price of gold is at its lowest point in twenty years. This is significant because the low price of gold is now nearing the break-even point for even the larger mines. Therefore, these mines will be forced to either operate at loss or shut down entirely. With mining and related industries accounting for 3 million jobs and 5 percent of the gross domestic product, this would have a serious impact on our nations economy.

The IMF should abandon this initiative and pursue alternatives to assist these poor nations.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Times, Apr. 6, 1999]

(By Michael Evans)

In the rarefied atmosphere of Davos, Switzerland, Vice President Al Gore fired his opening salvo in the 2000 Election Year campaign, in an attempt to demonstrate his expertise in international finance.

Specifically, Mr. Gore suggested the International Monetary Fund should sell some of its gold reserves and use the funds to reduce foreign debt of impoverished Third World nations, following through with one of his favorite plans discussed in his 1992 magnum opus, "Earth in the Balance." Such a plan, he claimed, would help alleviate "the insanity of our current bizarre financial arrangements with the Third World." ("Earth in the Balance," p. 345).

Forgiveness of foreign debt would certainly not be a unique step. The United States forgave most foreign debts after both world war for Allies and foes alike. The Brady plan in the 1980s reduced Latin American debt. The United States also forgave much of the foreign debt of Eastern European countries after the demise of the Berlin Wall. Forgiveness of debt is not necessarily a bad idea; in many cases it has worked quite well.

Yet the Gore plan is questionable on two major counts. First, before these debts are forgiven, these countries need to provide some evidence they have started to improve their own economic programs. Second, selling gold, far from being the best way to proceed, is close to the worst.

With the IMF throwing $23 billion down the Russian drain because that country failed to institute necessary economic reforms, the case for requiring some moves toward economic stability seems strong enough that an extended analysis is not necessary. On the other hand, the negative impact of gold sales on economic performance is not well understood, and deserves further discussion.

Suppose the countries targeted to receive aid from the Gore program do indeed get their economic policies in order. Then it does make sense to reduce their foreign debt, allowing them to improve their economic lot instead of being permanently saddled with debts that, for practical purposes, can never be repaid. But why raise this money through IMF gold sales?

The cheap, cynical answer is this method doesn't require an actual outlay of U.S. funds, so it doesn't appear in the budget. However, cheap tricks like that are precisely the reason so many voters have come to distrust their elected officials. If reducing Third World debt is worth doing, let's debate the issue, vote on it, and pay for it, not disguise it in some underhanded way that the average voter won't notice.

Yet there is a deeper, more important reason. Selling gold often degrades economic performance. Most countries that have resorted to gold sales have found their currency has depreciated, their real growth rate has declined and their unemployment rate has risen relative to countries that did not sell gold.

Now that the inflation rate has remained low in the United States, even with the economy at full employment, and the dollar has strengthened, it has become fashionable to proclaim that gold reserves are no longer needed to stabilize the price level and the value of the currency. In fact, there are many reasons why the inflation rate has remained so low, including a credible monetary policy, the budget surplus, and the beneficial impact of rapid growth in technology. However, the most important factor is the widespread realization that the U.S. government is committed to keeping the rate of inflation low and stable. Massive gold sales would undermine that commitment.

In this regard, it is instructive to look back and see how the U.S. economy fared during the last major round of gold sales. The IMF held several gold auctions from 1976 through 1980. In the five 1976 auctions, the average price of gold was $122 per ounce. By the five 1980 auctions, the average price had risen to $581 ounce.

Of course, one of the reasons gold prices skyrocketed was that the rate of inflation in the United States surged, rising from 4.9 percent in 1976 to a peak of 13.3 percent in 1979. While one can argue that higher oil prices boosted inflation, the fact of the matter remains that the inflation rate rose to 6.7 percent in 1977 and 9.0 percent in 1978 before oil prices started to increase. Furthermore, the CPI for all items, excluding energy, also moved up from 4.8 percent to 11.1 percent in 1979, and the continued rising to 11.7 percent in 1980.

How could a relatively modest amount of gold sales have boosted inflation so much? Most economists now agree that inflation is driven largely by expectations. If labor and business believe fiscal and monetary policy will continue to fight inflation vigorously, the inflation rate will remain low, as is indeed the case today. Conversely, when the government sends the unmistakable signal by selling gold that higher inflation is OK, labor and business quickly raise wages and prices, and inflation is off to the races.

Of course, the Carter administration did not come right out and say ''we favor high inflation,'' but their actions convinced private sector economic agents that is what they meant. When the signaled their disdain for a stable price level by selling gold, the U.S. government encouraged prices to rise more rapidly in the late 1970s.

Other countries have also had negative experiences following gold sales. On July 3, 1997, the Reserve Bank of Australia announced it had sold 69 percent of its gold reserves of the previous month, resulting in a net gain of $150 million per year in interest. However, it is more than coincidental that the month before this announcement, the Australian dollar was worth 75.4 cents, but it then started to fall steadily to a level of 58.9 cents a year later.

Thus in the year following the announcement of goal sales, the Australian dollar lost 20 percent of its value. As a result, Australian consumers had to pay an additional $10 billion per year for imported goods, almost 70 times the $150 million in interest earned from interest-bearing securities purchased with the money generated from the sale of gold reserves.

The Canadian economy was also damaged by the decision of the central bank to sell 85 percent of its gold reserves since the early 1980s. The sharp decline in the value of the Canadian dollar relative to the U.S. dollar also led to a lack of investment opportunities by local firms and a substantial rise in the unemployment rate. Indeed, before the gold sales, the Canadian unemployment rate tracked the U.S. unemployment rate closely; in recent years, it has been about 5 percent higher. Canada paid a very high price for this decision to sell gold and reduce the value of its currency.

It is also worth mentioning that Russia sold most of its gold reserves shortly before the collapse of the ruble last summer. It is likely that if Russia had not sold its gold, it would not have been forced to devalue the ruble. Seldom has a decision to sell gold reserves been more ill-founded and untimely.

Thus the weight of the evidence clearly suggests that when central banks decide to sell gold, the currencies of those countries often depreciate and their economies suffer slower growth and rising unemployment, far outweighing any small gain that might occur from the return on interest-bearing securities.

Given this track record, it seems remarkable that anyone, let alone the vice president, would suggest weakening the current stability in the U.S. economy by selling gold and raising the expectations that inflation was about to return—which would also result in a degradation of current economic performance.

If impoverished Third World nations can demonstrate they have taken steps to put their economic houses in order, fine. Let's reduce their foreign debt, just as the United States has done for so many other foreign countries over the past 80 years. But having made that commitment, there is absolutely no reason to risk boosting the rate of inflation and weakening economic performance by funding debt reduction with ill-advised gold sales.

TRIBUTE TO CARDINAL SILVA

Mr. KENNEDY. Mr. President, last week the hemisphere lost one of its greatest leaders on human rights with the death of Raul Cardinal Silva Henriquez of Chile.

The Cardinal was a great man, and one of the great voices for freedom and justice of our time and of all time. He was a brave and holy man whom many of us were proud to call a friend. The poet Yeats said:

> Think where man's glory most begins and ends,
> And say my glory was I had such friends.

Most of all, the Cardinal was a friend to all those who needed friends the most—the oppressed, the frightened, the lost, the ''disappeared.'' He sheltered the homeless, but he also sheltered those who had homes but dared not go to them. During the dark days of Chile's recent history, when the flame of democracy was nearly extinguished, and the noble concepts of freedom and human rights considered subversive ideas by those in power, this courageous man of God would not be silent.

Now, God has called home his good and faithful servant, and we understand that. Only God could still that strong and powerful voice. His enemies may have hoped to silence him through all those years, but they dared not.

I first meet the Cardinal in the 1970's, shortly after the coup that stifled democracy in Chile. He had come to Washington, and I had been holding hearings here in the Senate, year after year, to try to shine some sunlight into the darkness of the human rights abuses in his land. He asked if we could meet privately, away from the glare of publicity, and we did so, at a friend's home. As we sat and drank tea, he spoke directly and intensely about human rights in his country, without anger, and with insight and determination.

In those years, he had created the Committee for Peace, an ecumenical movement of Catholics, Protestants, and Jews dedicated to providing relief to the victims of human rights abuses.

Later, defying the Pinochet regime, he formed the Vicarage of Solidarity, to provide legal assistance for the victims of the abuses, and to protect the lawyers who championed their cause. Without the protective mantle of the Cardinal and the Church, these organizations would almost surely have been snuffed out. Because of him, many people found the courage to speak out and to continue the long battle for democracy.

We met several more times over the years. When I visited Chile in 1986, the government refused to meet me. But the people, led by the Cardinal, welcomed me, and I will never forget that inspiring and deeply moving reception.

At another time and place, the poet Gabriela Mistral wrote about the wife of a prisoner:

> From the house I grieve, to the fiery thimble of his dungeon, I fly back and forth like a living shuttle, like one who knows no other path, until at last the walls open, and let me pass through iron, pitch and mortar.

The Cardinal heard the cry of women like that, and their men. Chile's Ambassador to the U.S., Genaro Arriagada, was one of those who, because of the Cardinal, found the courage to resist. His ''No'' campaign the 1980's led finally to the shining moment in the National Stadium in