

THE SAINT GEORGE SOCIETY: A
POSITIVE INFLUENCE ON BAY
COUNTY

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, November 1, 1999

Mr. BARCIA. Mr. Speaker, I rise to pay tribute to the Saint George Society who has served the citizens of Bay City, Michigan, since 1887. One does not often find, in our relatively young country, an organization with a continuous history of serving their fellow citizens for 112 years. The Saint George Society, however, has consistently carried out their mission to serve their community without hesitation and with much devotion.

Members of the Saint George Society have always vigorously upheld their pledge to aid the sick and needy among them. Although jobs were scarce and times were difficult in the early years of the society, they successfully raised money in order to help those in need. As their membership grew, the society was able to both rent space for their meetings at Pulaski Hall and continue to help the community in many significant ways.

In the early 1920's, the Society gave 25 dollars to returning war veterans who had been members of the organization before leaving for the War. Also, as a result of the Society's exclusively Polish membership, they made substantial efforts to buy Polish War Bonds in order to aid Poland. By 1959, the Society had weathered the great depression, two wars and a changing world. In spite of this, by the end of the year they were able to expand their services to care for mentally disabled children. On August 23, 1981, they opened the doors of a new facility which allowed them even greater opportunity to serve and be a part of the community.

On July 11, 1999, the Saint George Society celebrated many years of accomplishment by burning the mortgage on their property. As you can imagine, this was a very meaningful event for this organization which has given so much to Bay City. For them, burning this mortgage was more than just destroying a piece of paper, but was an event that represents many years of accomplishment, dedication, sacrifice and commitment.

Mr. Speaker, the Saint George Society has been a source of strength and pride for many years in the Bay City area. I know that they will continue to be a vital part of Michigan's Fifth District. For that reason, I urge you and my colleagues to join me in wishing the Saint George Society many blessings for the future.

TRIBUTE TO THOMAS A. BUTTS,
ASSOCIATE VICE PRESIDENT
FOR GOVERNMENT RELATIONS
AND EXECUTIVE DIRECTOR OF
THE UNIVERSITY OF MICHIGAN'S
WASHINGTON, D.C. OFFICE

HON. LYNN N. RIVERS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, November 1, 1999

Ms. RIVERS. Mr. Speaker, I rise today to pay tribute to Thomas A. Butts, Associate Vice

President for Government Relations and Executive Director of the University of Michigan's Washington, D.C. Office, who is retiring from the University after 35 years of distinguished public service.

Mr. Butts has served as the University's liaison to Congress and federal agencies for almost two decades. In addition to opening the University's Washington Office in 1990, he has logged thousands of miles commuting between Ann Arbor and Washington as together we've labored to strengthen higher education in the United States.

Mr. Butts' success as an advocate for higher education emanates from his great personal warmth, his many contacts in government and academe, and his professional expertise, particularly in the area of student financial aid. Over the years, Mr. Butts has contributed enormously to the deliberations resulting in reauthorization of the Higher Education Act. He also championed the William D. Ford Federal Direct Loan Program.

Prior to becoming a government relations officer, Mr. Butts served the University as an admissions counselor and assistant director of admissions in 1964-67, assistant director of the Educational Resources Information Center I Counseling and Personnel Services in 1969-71, director of Student Orientation in 1967-77, and director of Student Financial Aid in 1971-77.

He also worked as Deputy Assistant Secretary for Student Assistance with the U.S. Department of Education in the late 1970s. More recently, he has served as a member of both the National Commission on Responsibilities for Financing Postsecondary Education and of the Advisory Committee on Student Financial Assistance.

Mr. Butts earned a Bachelor of Science degree in English, economics, and secondary education from Eastern Michigan University in 1959, and a Master of Science degree in education in 1964 and Ph.D. doctoral candidate certification in 1974, both from the University of Michigan. He was a first lieutenant in the U.S. Army in 1960-63.

I applaud Mr. Butts' accomplishments and express my deep gratitude for his commitment to the well-being of students and to colleges and universities in Michigan and nationally. I congratulate Mr. Butts, a trusted adviser and friend, on this special occasion, and wish him a healthy and rewarding retirement.

THE COMMUNITY BANK TILT TO
FINANCIAL MODERNIZATION
LEGISLATION

HON. JAMES A. LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 1, 1999

Mr. LEACH. Mr. Speaker, during every stage in its development, financial modernization legislation has had controversial elements for all of the parties concerned. Differences will always remain between and within the banking, insurance, and securities industries. But it should be clear that in the final analysis the Gramm-Leach-Bliley Act which will be considered this week, relatively speaking, tilts in

favor of the nation's community banks and the customers they serve.

Seven areas deserve particular mention:

1. Unitary Thrifts. While the financial modernization legislation provides for increased competition in the delivery of financial products, it repudiates the Japanese industrial model and forestalls trends toward mixing commerce and banking. The unitary thrift loophole which allows commercial firms to control smaller S&L charters has been closed. Not only will no new unitaries be chartered, but those in existence cannot be sold to commercial firms. This means that the signal breach of banking and commerce that exists in current law is plugged, which has the effect of both stopping the potential "keiretsu" of the American economy and protecting the viability, and therefore the value, of community bank charters. As close observers of the process understand, at many stages in consideration of bank modernization legislative, powerful interest groups attempted to introduce legislative language which would have allowed large banks to merge with large industrial concerns—i.e., to provide that Chase could merge with General Motors or Bank of America with Amoco. Instead, this bill precludes this prospect and, indeed, blocks America's largest retail company from owning a federally insured institution, for which an application is pending. Federal Home Loan Bank System reforms.

2. The FHLB charter is broadened to allow community banks to borrow for small business and family farm lending. The implications of this FHLB mission expansion are extraordinary. In rural areas it allows, for the first time, community banks to have access to long-term capital comparable to the Farm Credit System, which like the Federal Home Loan Bank System is empowered as a Government Sponsored Enterprise to tap national credit markets at near Treasury rates. The bill thus creates greater competitive equity between community banks and the Farm Credit System and greater credit cost savings for farmers. With regard to the small business provision, the same principle applies. If larger financial institutions choose to emphasize relationships with larger corporate and individual customers, the ability of community banks to pledge small business loans as collateral for FHLB System advances will allow them to serve comprehensively a small business and middle class family market niche. Most importantly, if the present trend continues of American savers putting less money in banks and more in non-insured deposit accounts, such as money-market mutual funds, this FHLB reform assures community banks the liquidity—at competitive costs—they will need for generations to come.

3. Additional Powers. In recent years, sophisticated money-center banks have developed powers, under Federal Reserve and OCC rulings, that have allowed them to offer products which community banks in many states are frequently precluded from offering. This bill allows community banks all the powers as a matter of right that larger institutions have accumulated on an ad hoc basis. In addition, community banks for the first time are authorized the right to underwrite municipal revenue bonds.

4. Regulatory relief. The legislation provides modest regulatory relief for banks with assets

under \$250 million. Those with an "outstanding" Community Reinvestment Act rating will be examined for compliance only every 5 years, while those with a "satisfactory rating will be reviewed every 4 years.

5. Special provisions. For a bill of the magnitude for this one, there are surprisingly few special interest provisions. The Congress held the line to assure that breaches of imprudent regulation were not provided to specific institutions, therefore protecting the deposit insurance fund, to which community banks disproportionately provide resources, and the public, which is the last contingency backup.

6. Prohibition on deposit production offices. The legislation expands the prohibition on deposit production offices contained in the Reigle-Neal Interstate bill to include all branches of an out-of-state bank holding company. This prohibition ensures that large multi-state bank holding companies do not take deposits from communities without making loans within them.

7. Competition. The power under the act will provide community banks a credible basis to compete with financial institutions of any size or any speciality and in addition to offer, in similar ways, services that new entrants into financial markets, such as Internet or computer software companies, may originate.

In a competitive world in which consolidation has been the hallmark of the past decade, the framework of this bill assures that community banks have the tools to remain competitive. If larger institutional arrangements ever become consumer-unfriendly or geographically-concentrated in their product offerings, the powers reserved for community banks will ensure competitive viability and, where needed, incentivize the establishment of new community-based institutions.

What the new flexibility provided community banks means in that small businesses in the most rural parts of America will be provided access to the most up-to-date, sophisticated financial products in the world, delivered by people they know and trust. Without financial modernization legislation, the trend towards commerce and banking, as well as more faceless interstate banking, will be unstoppable. Community based institutions need to be able to compete with larger institutions on equal terms or growth and economic stability in rural America will be jeopardized.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules committee—of the time, place, and purpose of the meetings, when scheduled, and

any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, November 2, 1999 may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

NOVEMBER 3

9:30 a.m.
Armed Services
To hold hearings on lessons learned from the military operations conducted as part of Operation Allied Force, and associated relief operations, with respect to Kosovo.

SH-216

Health, Education, Labor, and Pensions
Business meeting to consider pending calendar business.

SD-430

Energy and Natural Resources
Business meeting to consider pending calendar business.

SD-366

10 a.m.
Governmental Affairs
Business meeting to consider pending calendar business.

SD-628

Environment and Public Works
Fisheries, Wildlife, and Drinking Water Subcommittee
To hold hearings to examine solutions to the policy concerns with respect to Habitat Conservation Plans.

SD-406

Aging
To hold hearings to examine the quality of care in the nation's nursing homes.

SD-562

Commission on Security and Cooperation in Europe
To hold hearings on the Chechen crisis and its implications for Russian Democracy.

2226, Rayburn Building

10:30 a.m.
Foreign Relations
Business meeting to consider pending calendar business.

S-116, Capitol

2:30 p.m.
Foreign Relations
To hold hearings to examine issues in promoting United States interests.

SD-419

NOVEMBER 4

9:30 a.m.
Indian Affairs
To hold joint hearings with the House Committee on Resources on S. 1586, to reduce the fractionated ownership of Indian Lands; and S. 1315, to permit the leasing of oil and gas rights on certain

lands held in trust for the Navajo Nation or allotted to a member of the Navajo Nation, in any case in which there is consent from a specified percentage interest in the parcel of land under consideration for lease.

Room to be announced

Armed Services

To hold hearings on the nomination of Alphonso Maldon, Jr., of Virginia, to be an Assistant Secretary of Defense; and the nomination of John K. Veroneau, of Virginia, to be an Assistant Secretary of Defense.

SR-222

Commerce, Science, and Transportation

To hold hearings on local phone competition, examining how to increase consumer choice in local telephone markets.

SR-253

10 a.m.

Aging

To hold hearings on certain initiatives to improve nursing home quality of care.

SD-562

Judiciary

Business meeting to consider pending calendar business.

SD-226

10:15 a.m.

Foreign Relations

To hold hearings to examine issues relating to Chechnya.

SD-419

11 a.m.

Judiciary

To hold hearings on issues relating to the MCI Worldcom/Sprint merger.

SD-266

2:30 p.m.

Foreign Relations

To hold hearings to examine the future United States policy with Nigeria.

SD-419

NOVEMBER 5

11 a.m.

Foreign Relations

International Economic Policy, Export and Trade Promotion Subcommittee
To hold hearings to examine issues relating to the International Monetary Fund, focusing on lessons learned from the Asian financial crisis.

SD-419

NOVEMBER 9

9:30 a.m.

Governmental Affairs

Investigations Subcommittee

To hold hearings to examine the vulnerabilities of United States private banks to money laundering.

SD-628

NOVEMBER 10

1 p.m.

Governmental Affairs

Investigations Subcommittee

To hold hearings to examine the vulnerabilities of United States private banks to money laundering.

SD-628