

joined Congress over a year ago, to include the basic elements of CRA in H.R. 10.

The House-passed version of the Financial Modernization bill, to my mind, had fairly weak CRA provisions by excluding securities and insurance functions. But the Gramm version weakens these protections even further by requiring banks to report every 5 years.

Senator GRAMM added a wickedly ironical provision that he describes as a "sunshine" regulation. In California sunshine provisions protect citizens by requiring that the legislative bodies act with proper and timely notice being given to the public on time of meeting and publication of issues to be discussed.

This sunshine provision in Senator GRAMM's bill is a terrible perversion of that protection. This provision mandates that community organizations working with banks to produce more affordable housing have to report on their functions, and their contracts. These reporting requirements are not made of financial institutions, only community organizations. Instead of treating these groups as heroes for their life-saving, community-saving work, they must report like criminals.

Presently, banks have to meet a satisfactory rating, and then maintain it in order to be favorable considered for expansion or mergers. S. 900 allows these banks to meet the "satisfactory" standard only once and frees them from further obligation to maintain it. Do it once and you are free of obligations thereafter. This is a terrible travesty of present CRA practices.

The other major weakness in S. 900 has to do with the easy access to customer's private information that is available. Presently, each one of the three functions: banking, insurance, and securities, cannot share their customers' information with each other. With the passage of S. 900 the walls are down.

Insurance companies have records on a customer's health. This record will now be available to the bank, or the insurance company that can now offer banking services, when you apply for a loan. Is this information that should be so easily available. Is this what our constituents would allow? I don't think so.

However, should customers want to know how the bank, or the insurance company, or the securities sales office is handling their account and ask for a record, and possibly make the necessary corrections, they will not be able to do so. We are considering legislation that could really produce nightmare situations for our constituents.

S. 900 only asks that banks report their plan to protect privacy without any obligation to any one, or any institution to implement it, to modify it, or to improve it. This is a hollow requirement, devoid of substance.

These are two of the major flaws of S. 900. But I have to raise the objections that I raised in the Banking Committee about the consequences of financial services modernization without appropriate safeguards.

S. 900 will allow for further mergers and conglomeratization. It will once again expose us to the congressional, national liability for the \$500 billion bailout of the savings and loan industry of the 1980's.

The conglomerates will be too big to regulate and too big to fail and the taxpayer will be stuck with the consequences.

Additionally, along with my colleagues, Representatives WATERS, FRANKS, SANDERS, JONES of Ohio, and SCHAKOWSKY, we have tried to introduce the most basic of consumer protections as we give the financial services what they want. We have tried to protect fair housing by prohibiting insurance companies from discriminating, and we have tried to establish limited basic banking accounts for low-income customers, but without success.

This financial modernization bill, S. 900, or H.R. 10, is the product of 20 years of effort. It saddens me to see 20 years of work dissolve into this miserable bill. I ask my colleagues to vote against it.

#### GROUNDBREAKING OF THE AUSCHWITZ JEWISH CENTER

**HON. TOM LANTOS**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, November 8, 1999*

Mr. LANTOS. Mr. Speaker, today I invite my colleagues to join me in commemorating the official ground-breaking for the Auschwitz Jewish Center a tribute to the Jews who perished in this century's most senseless tragedy. The Center, located in the last remaining synagogue in the town of Oswiecim (the Polish name for Auschwitz), will offer visitors to the site of the Auschwitz-Birkenau death camp an opportunity for reflection, education, and understanding of the enormous loss inflicted by the Holocaust.

The groundbreaking for the Auschwitz Jewish Center takes place on the eve of the sixty-first anniversary of Kristallnacht ("The Night of Broken Glass"), the 1938 Nazi pogrom that foreshadowed the Holocaust and marked the beginning of the Nazi effort to exterminate the Jews. Ninety-one German and Austrian Jews were murdered during Kristallnacht, and 26,000 more were arrested and deported to concentration camps. Nazi thugs set fire to 101 synagogues and destroyed almost 7,500 Jewish-owned businesses. This evening of terror and brutality marked the beginning of the end of German Jewry. Kristallnacht, which was orchestrated by Nazi Propaganda Minister Joseph Goebbels, was an attempt permanently to wreck the cultural and civic infrastructure of the Jewish people in the hope that Jews would never again find comfort in Germany.

Mr. Speaker, the anniversary of Kristallnacht reminds us yet again why the establishment of the Auschwitz Jewish Center holds such great significance. The Center will offer visitors seminar rooms, a library, a memorial wall to victims of the Holocaust, genealogy records, and a screening room for viewing testimonials from Holocaust survivors which will be made available through an agreement with Steven Spielberg's Shoah Foundation. It will allow guests to learn about Oswiecim's rich Jewish history, which dates back to medieval times, and it will permit them to ponder over the destruction of this community and thousands like it across Europe. Most of all, the Center will offer Jews and non-Jews alike the opportunity to mourn and remember.

I urge my colleagues to join me in praising the accomplishments of the Auschwitz Jewish

Center Foundation, Inc., a New York based tax-exempt organization created in 1995 to support the Center's creation, and its founder and president, noted philanthropist Fred Schwartz. Mr. Schwartz and his lovely wife, Allyne, visited Auschwitz in 1993 and shortly after began the process of creating an institution that would help to "attach human characteristics to the people who perished there." Fred set up the Auschwitz Jewish Center Foundation and, aided by the devoted efforts of executive director/vice president Daniel Eisenstadt and a wealth of other talented individuals, and the Center has contributed immeasurably to the memory of the victims of Auschwitz and the Holocaust.

Mr. Speaker, Fred and Allyne Schwartz and all of their associates involved in the establishment of the Auschwitz Jewish Center merit the appreciation of every Member of the House. As a Holocaust survivor, I am grateful to them for paying tribute to the most horrendous legacy of the twentieth century. As a grandfather, I am even more indebted to them for keeping this memory alive for the twenty-first century and beyond.

#### MEDICARE, MEDICAID, AND SCHIP BALANCED BUDGET REFINEMENT ACT OF 1999

SPEECH OF

**HON. BILL ARCHER**

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Friday, November 5, 1999*

Mr. ARCHER. Mr. Speaker, I would like to submit for the RECORD the attached letters which I and the Chairman of the Committee on Commerce have exchanged regarding H.R. 3075, the Medicare Balanced Budget Refinement Act of 1999.

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON WAYS AND MEANS,

*Washington, DC, November 5, 1999.*

Hon. THOMAS J. BLILEY, Jr.  
*Chairman, House Committee on Commerce,  
Washington, DC.*

DEAR CHAIRMAN BLILEY: This is in response to your letter regarding further consideration of H.R. 3075, the Medicare Balanced Budget Refinement Act of 1999.

I understand that, in order to expedite consideration of this legislation, the Committee on Commerce will not be marking up the bill. The Commerce Committee will take this action based on the understanding that it will be treated without prejudice as to its jurisdictional prerogatives on this measure or any other similar legislation. Further, I have no objection to your request for conferees with respect to matters in the Commerce Committee's jurisdiction if a House-Senate conference is convened on this or similar legislation.

Finally, I will seek to include in the Record a copy of our exchange of letters on this matter. Thank you for your assistance and cooperation in this matter.

With best personal regards,  
Sincerely,

BILL ARCHER,  
*Chairman.*

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON COMMERCE,  
Washington, DC, November 5, 1999.

Hon. BILL ARCHER,  
Chairman, Committee on Ways and Means,  
Washington, DC.

DEAR BILL: I am writing regarding H.R. 3075, the Medicare Balanced Budget Refinement Act of 1999. As you know, the Committee on Commerce is an additional committee of jurisdiction for the bill, and I understand that the version of the bill that will be considered under the suspension calendar will contain a number of Medicaid provisions which fall within my Committee's exclusive jurisdiction.

However, in light of your willingness to work with me on those provisions within the Commerce Committee's jurisdiction, I will not exercise the Committee on Commerce's right to act on the legislation. By agreeing to waive its consideration of the bill, however, the Commerce Committee does not waive its jurisdiction over H.R. 3075. In addition, the Commerce Committee reserves its authority to seek conferees on any provisions of the bill that are within its jurisdiction during any House-Senate conference that may be convened on this legislation or similar legislation. I ask that you support our request in this regard.

I ask that you include a copy of this letter and your response in the Record during consideration of the bill on the House floor. Thank you for your consideration and assistance. I remain,

Sincerely,

TOM BLILEY,  
Chairman.

MARCIA M. STEWART: HAPPY  
TRAILS

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 8, 1999

Mr. YOUNG of Alaska. Mr. Speaker, it is with deep regret that the Committee on Resources bids farewell to Marcia Stewart, Legislative Assistant to the Chief Counsel of the Committee. Marcia has been not only the right hand of the Chief Council's office, but often the heart, head and both feet.

Marcia Stewart is one of those staffers often seen but seldom heard. Her job was not a glamorous one, but one which was integral to the efficient and effective operation of the Committee on Resources. With her help, the Resources Committee has been one of the most productive in the House and she had a hand in every bill we moved (and we have moved hundreds so far). Her presence in markups, in hearings and on the Floor ensured that all would go well. In fact, her very first time staffing a bill on the Floor, the vote was unanimous, probably because no one could bear to disappoint her.

Marcia came to the Committee from the former Committee on Merchant Marine and Fisheries, where she served as a staff assistant. Even then, her extraordinary skills were apparent, and she was a clear choice for the demanding duties of the Chief Counsel's office when I became Chairman of the Resources Committee in the 104th Congress. Her expertise and organizational skills have kept our

legislative and oversight trains running on time. That is why I am not surprised that Marcia Stewart is known as the "Martha Stewart of legislation." Not bad for a woman who was a toddler when I began my career in Congress.

Marcia and her two-year-old daughter, Abigail, will be joining Marcia's husband Tim Stewart in Salt Lake City, where they will be giving up the white columns of the Capitol for the wide open spaces of the West. All I can say is Congressman JIM HANSEN district's gain is our loss.

We will miss you, Marcia Stewart, and wish you and your family a wonderful life in Utah. I thank you for your service to me, to the Committee on Resources, to the Congress and to America.

CONFERENCE REPORT ON S. 900,  
GRAMM-LEACH-BLILEY ACT

SPEECH OF

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. DINGELL. Madam Speaker, to paraphrase the words Charles Dickens penned in 1859, this is the best of bills; this is the worst of bills. It is an act of wisdom; it is an act of foolishness. It wisely recognizes the technological and regulatory changes that have blurred the lines between industries and products, and builds a new regulatory structure to house and foster competition and innovation. However, it unwisely fails to recognize that, for all that has changed dramatically, human nature has not. Prodigious failures and frauds are no less possible, indeed, perhaps are even more likely today. Yet S. 900 provides inadequate protections for taxpayers, depositors, investors, and consumers.

Now, I can tell that some of my colleagues are bracing themselves for a speech about the Crash of 1929 and the Great Depression that followed it. I am not giving that speech today. I am not opposing S. 900 because I am stuck in the past. I am opposing S. 900 because it's a bad bill today and for the future. About the past, I will only observe that he who does not learn from it, is doomed to repeat it. This bill bears dangerous seeds.

First, S. 900 facilitates affiliations between banks, brokerages, and insurance companies, creating institutions that are "too big to fail." However, it does not reform deposit insurance or antitrust implementation and enforcement. The bill's supporters tout all the benefits to consumers, but woe to the American people when they have to pick up the tab for one of these failures or when competition disappears and prices shoot up.

It also authorizes banks' direct operating subsidiaries to engage in risky new principal activities like securities underwriting and, in five years, merchant banking with Treasury and Federal Reserve approval. The flimsy limitations and firewalls will not hold back contagion and underscore the foolishness in not reforming deposit insurance, and thus the threat to taxpayers and depositors.

Second, the privacy provisions in S. 900 are a sham. The bill gives financial institutions

new access to our personal financial and other information for purposes of cross-marketing and profiteering. Under S. 900, a customer cannot opt out of information sharing if his financial institution enters a "joint marketing agreement" with unaffiliated third parties. This loophole makes the privacy protections about as effective as a lace doily would be in holding back a flood.

Third, this bill undermines the Community Reinvestment Act. Many of my colleagues will speak to this point more eloquently than I, and I associate myself with their remarks. At the appropriate point, I will include National Community Reinvestment Coalition's letter in the RECORD.

Fourth, it undermines the separation of banking and commerce. Title IV closes the unitary thrift loophole by barring future ownership of thrifts by commercial concerns. But about 800 firms that are grandfathered can engage in any commercial activity, even if they were not so engaged on the grandfather date. Moreover, title I allows the new financial holding companies (which incorporate commercial banks) to engage in any "complementary" activities to financial activities determined by the Federal Reserve. And in a piece of circular mischief, any S&L holding company, whether or not grandfathered, can engage in any activities determined to be "complementary" for financial holding companies. Title I of S. 900 also waters down the prudential limitations that the House had imposed on merchant banking. S. 900 clearly ignores the warning of then Treasury Secretary Rubin to Congress in May of this year: "We have serious concerns about mixing banking and commercial activities under any circumstances, and these concerns are heightened as we reflect on the financial crisis that has affected so many countries around the world over the past two years."

Fifth, the conference agreement would let banks evaluate and process health and other insurance claims without having to comply with state consumer protections. This means that banks, of all people, will make important medical benefit decisions that patients and doctors should make. According to the National Association of Insurance Commissioners, S. 900 could prevent up to 1,781 state insurance consumer protection laws and regulations from being applied to banks that conduct insurance activities. State laws could be preempted that require consumers to be paid claims they are due and that protect consumers against predatory practices of banks that sell credit insurance. S. 900 also preempts state consumer privacy laws restricting the dissemination of medical and other personal information by a bank engaged in insurance activities. The conference committee rejected an amendment that I offered to address these serious shortcomings.

Sixth, S. 900 contains provisions (subtitle B of title III) on the redomestication of mutual insurers that are opposed by the National Conference of State Legislatures and the National Conference of State Legislatures and the National Conference of Insurance Legislators. They contend that this legislation is anti-consumer and not in the public interest in that it would preempt the anti-mutualization laws in 30 states and places as many as 35 million