

U.S.C. 2463(c)(2)(D)) is amended to read as follows:

“(D) LEAST-DEVELOPED BENEFICIARY DEVELOPING COUNTRY; ILO ELIGIBLE BENEFICIARY COUNTRY.—Subparagraph (A) shall not apply to any least-developed beneficiary developing country or any beneficiary developing country that is an ILO eligible beneficiary country.”

(C) WITHDRAWAL, SUSPENSION, OR LIMITATION OF ADDITIONAL BENEFITS.—Section 503 of such Act (19 U.S.C. 2463) is amended by adding at the end the following new subsection:

“(g) WITHDRAWAL, SUSPENSION, OR LIMITATION OF ADDITIONAL BENEFITS.—

“(1) IN GENERAL.—Notwithstanding any other provision of law, the President may withdraw, suspend, or limit the designation of any country as an ILO eligible beneficiary country for purposes of the benefits described in subsection (a)(1)(D) if the President determines that—

“(A) the country no longer meets the criteria set forth in section 507(6); or

“(B) imports of the article to which such additional benefits have been granted have increased in such amounts as to cause, or threaten to cause, injury to a domestic industry producing an article like or directly competitive with the article.

“(2) EFFECTIVE DATE OF WITHDRAWAL, ETC.; ADVICE TO CONGRESS.—

“(A) EFFECTIVE DATE.—A country shall cease to be an ILO eligible beneficiary country on the day on which the President issues an Executive order or Presidential proclamation revoking the designation of such country under this title.

“(B) ADVICE TO CONGRESS.—The President shall, as necessary, advise Congress on the application of subsection (a)(1)(D) and the actions the President has taken to withdraw, to suspend, or to limit the application of preferential treatment with respect to any country which has failed to adequately meet the criteria described in section 507(6).”

(d) DEFINITIONS.—Section 507 of such Act (19 U.S.C. 2467) is amended by adding at the end the following:

“(6) ILO ELIGIBLE BENEFICIARY COUNTRY.—The term ‘ILO eligible beneficiary country’ means a least-developed beneficiary developing country or a beneficiary developing country that—

“(A) the President determines, after consultation with the Secretary of Labor, is implementing and enforcing the provisions of Convention No. 138 of the General Conference of the International Labor Organization; and

“(B) has requested the additional benefits described in section 503(a)(1)(D).

“(7) ARTICLE ORIGINATING IN AN ILO ELIGIBLE BENEFICIARY COUNTRY.—An article is an article originating in an ILO eligible beneficiary country if the article meets the rules of origin for an article set forth in section 503(a)(2), except that in applying section 503(a)(2), any reference to a beneficiary developing country shall be deemed to refer to an ILO eligible beneficiary country.”

Mr. GRASSLEY. Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mrs. MURRAY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EDUCATION FLEXIBILITY PARTNERSHIP ACT

Mrs. MURRAY. Mr. President, in a short while we will begin the debate again on the Ed-Flex bill that has been on the floor for the last several weeks. It is a bipartisan bill. Democrats and Republicans alike are supporting this bill. It is a simple bill, essentially, that will allow some of our school districts to be more flexible with their education dollars; for the liability for some of the waivers to be transferred from the Department of Education directly to the Governors, so the Governors in our States can provide some of the waivers based on some specific clauses that are in the bill. Essentially, it is a matter of paperwork being moved from the Nation’s Capital to the Governors’ desks. It is a bill, again, that is supported broadly.

I have come to the floor numerous times over the last week to talk about an amendment which I hope to offer today regarding class size reduction. A year ago, the President talked about the most important goal in education, one of the most important goals we have—that of reducing class size in grades 1 through 3. Studies have shown us consistently that reducing class size in those grades makes a tremendous difference in the learning of young children—in their math, reading, language scores, and in their ability to go on to college. It improves discipline problems, as shown by numerous studies that I, again, hope to be able to talk about once my amendment comes to the floor.

We talked about this amendment all last year during the session. Then, in a bipartisan bill last October, in the budget process we passed the beginning phase of reducing class size and began a commitment to this country that we would help our schools across this country begin to reduce class sizes in grades 1 through 3, where it makes a difference. It was a bipartisan effort last year. It should be a bipartisan effort this year.

This is a critical issue right now in this country, today, where school boards across our country are looking for whether or not we just made some kind of political offering last October, right before the elections, or whether we really meant it when we said we were going to join with our schools across this country in this commitment to reduce class size.

It is extremely timely that this Senate go on record right now with a commitment to our school districts, to let them know that we are there for them, that this wasn’t just a fly-by-night political operation in October, it was a commitment from us at the Federal level to work hand in hand with schools across this country to begin to reduce class size. My amendment will authorize this program for the next 6 years. It is extremely important, be-

cause our school boards right now are putting their budgets together. They are determining what kind of money they will have.

They want to know, is this real or is this not, because they begin right now the process of hiring teachers to begin next fall. They do not want to hire a teacher, find out we did not really mean it last October, and make that commitment. They want to know whether we stand there ready, confirmed, and committed to this process. That is why it is so critical that we go on the record now with the class size authorization bill.

I hope to offer that today. I am looking forward to working with my Republican colleagues, again, in a bipartisan effort to let our school boards know we are with them in this critical process. We will obviously have other times to talk about this, certainly in the appropriations committees, as we did last year. I know we will have a big discussion on it in the budget. It is extremely important that we make this kind of commitment now.

I have heard my colleagues from the Republican side say that Ed-Flex needs to go cleanly right now, because it is bipartisan and because it is timely. The same goes for class size reduction. It is timely, so school boards can make those commitments, and it is bipartisan, if we all believed what we said and how we voted last October.

I really hope I can work with my Republican colleagues to, again, put this amendment up this afternoon or whenever the majority leader agrees, have a time commitment to it. I am willing to negotiate that. If it can be done quickly, that is fine by me. We need to have an up-or-down vote on this amendment, and we need to do it as quickly as possible.

I, too, want the Ed-Flex bill to pass. This is an amendment I think is critical and important and timely, and I hope to work with my Republican colleagues to make sure it happens today. I am looking forward to our discussion, which will begin in about a half hour. I hope to offer my amendment and to work with all of our colleagues on the floor to send a message that we do believe in this U.S. Senate that reducing class size in 1 through 3 is a commitment we can and should make.

KNOW-YOUR-CUSTOMER AMENDMENT

Mr. LEVIN. Mr. President, on Friday, an amendment was offered to the Ed-Flex bill to block implementation of certain regulations which the banking regulators had proposed for financial institutions to establish Know-Your-Customer programs. That amendment is still pending before the Senate. On Friday, my colleague from the Banking Committee, Senator SARBANES, made a number of thoughtful comments about

the pending amendment. Today, I would like I to express some concerns about it as well.

First, like Senator SARBANES, I am struck by the irony of dealing with an amendment that addresses banking issues wholly unrelated to education, at the same time Democrats are being denied an opportunity to offer amendments on educational issues much more relevant to the Ed-Flex bill before us.

Be that as it may, this banking issue has been put before us. And like all of my colleagues, I voted on Friday against tabling the pending amendment. I voted against tabling, because I think the amendment properly criticizes the proposed regulations for failing to protect ordinary law-abiding citizens from possibly unreasonable and invasive scrutiny by their financial institutions.

At the same time, my vote against tabling was not a general endorsement of the amendment. To the contrary, like the proposed regulations it criticizes, the amendment is not drafted as carefully as it should be.

The first part of the amendment prohibits the banking agencies from publishing "in final form" the flawed regulations proposed in December. I support that prohibition. But the second part of the amendment goes much farther. It also prohibits the banking agencies from proposing any regulation "which is substantially similar to" the proposals condemned in the first part.

The question is what "substantially similar" means.

If it means that the banking agencies should not propose know-your-customer regulations without including adequate privacy protections, that is fine. But if means that the agencies may not propose any know-your-customer regulations, no matter how finely tuned and protective of privacy, then the amendment is a serious mistake. If it means that agencies are not only prohibited from issuing regulations but should also start dismantling their existing know-your-customer practices, the amendment is a disaster.

I say that because know-your-customer programs are today a key part of law enforcement efforts to stop money laundering. Virtually all major financial institutions operating in the United States today have well developed know-your-customer programs, and U.S. bank examiners already routinely test the adequacy and effectiveness of these programs. For example, existing examination procedures testing bank compliance with the most important anti-money laundering statute on the books, the Bank Secrecy Act, already spell out the elements of an adequate know-your-customer program and test that program as part of its "core analysis."

The purpose of these know-your-customer programs is to stop financial in-

stitutions from unwittingly helping criminals to launder illegal proceeds.

Ten or twenty years ago, if an individual walked into a U.S. bank with a million dollars stuffed into a duffel bag and asked the bank to wire the money to an offshore account in a foreign country, most banks would have done so with few or no questions asked. And the bank would have collected a nice fee for arranging the wire transfer.

But that was before the United States embarked upon a world-wide, intensive effort to educate banks and foreign governments about the benefits of battling crime by stopping money laundering. The goals are to make banks wary of moving funds for criminals, to seize illegal funds in the banking system, and to put money launderers in jail and out of business.

Congress has played a key role in the advancement of this law enforcement strategy. For example, the subcommittee on which I am the ranking minority member, the Permanent Subcommittee on Investigations, held landmark hearings 15 years ago on how criminals were using financial institutions in the United States to launder their funds. The House and Senate Banking Committees have held numerous hearings over the years outlining the problem and proposing legislation to detect and stop money laundering.

In the last Congress, the House Banking Committee held a series of hearings and the Congress passed H.R. 1756, the Money Laundering and Financial Crimes Strategy Act. In this Congress, the leading crime bill proposed by the majority, S. 5, the Drug-Free Century Act, contains an entire title devoted to "money laundering deterrence." Still another bill, H.R. 4005, the Money Laundering Deterrence Act of 1998, which passed the House by voice vote last year but was not brought before the Senate actually directed the banking agencies to propose know-your-customer regulations within 120 days.

That's because virtually all money-laundering experts will tell you that know-your-customer programs are one of the most important tools financial institutions have to prevent money laundering. Two examples explain why as well as illustrate how a sensible idea can be pushed too far.

First, suppose a stranger walks into a bank with a million dollars in small bills and asks the bank to wire the cash to a foreign bank account. Should the bank wire the money and then, after the customer is gone, report the transaction to law enforcement, or should the bank first determine who the customer is and, if not satisfied, decline to transfer the money? To me, the answer is clear that the bank should determine who the customer is before moving any money.

Second example. Suppose a longtime customer of the bank with a modest savings account deposits \$3,000 into

that savings account. Should the bank report that \$3,000 deposit to law enforcement? To me, the answer is obviously no. That type of report would unreasonably invade the customer's privacy, as well as be a waste of time for law enforcement.

Surely, we can design regulations that distinguish between these two examples. At a minimum, different rules should apply to customers holding assets or conducting transactions below a specified threshold. We already do that with currency transaction reports, and the same could and should be done with know-your-customer programs. Additional privacy protections should be provided to prohibit banks from using know-your-customer data for purposes other than law enforcement, such as to sell products to the customer or sell the customer's personal data to third parties.

I do not support the current know-your-customer proposals, because they do not include these and other privacy protections.

Unfortunately, the amendment before the Senate, in its zeal to condemn the proposed regulations, goes too far. The first section, which prohibits the banking agencies from finalizing the regulations as proposed in December, is fine. But the second section, which also prohibits them from publishing "substantially similar" regulations, is ambiguous and troubling.

It is my hope that the supporters of the amendment do not intend to reverse the gains of the last twenty years and free banks of any obligation to know who their customers are. It is my hope that their intent is to protect ordinary law-abiding customers, but to keep the heat on money launderers by maintaining longstanding requirements that banks ask appropriate questions. It is my hope that their intent to require the agencies to correct the flaws in the proposed regulations, but not block all know-your-customer regulations no matter how narrowly or carefully drawn.

The pending amendment could easily be clarified. However, given the current parliamentary situation, it is not clear that anyone will be permitted to offer the additional language. If no clarification is provided, I want the record to show that my support for the amendment is based on the understanding that the amendment's ban on "substantially similar" regulations is a ban on know-your-customer regulations that lack adequate privacy protections for ordinary, law abiding individuals. It is not a ban on all future know-your-customer regulations, no matter how carefully drafted.

Financial privacy is an important issue. It needs to be addressed. Senator SARBANES is working on a comprehensive financial privacy bill that I hope this body is given an opportunity to consider. It is unfortunate that we are

being asked to address an important aspect of the financial privacy debate in such a rushed and inappropriate context. Which brings me back to Senator SARBANES' original question about why we are adding banking amendments to an education bill instead of the education amendments America wants and needs.

CONGRATULATIONS TO JOHN Q. HAMMONS ON HIS 80TH BIRTHDAY

Mr. ASHCROFT. Mr. President, I rise today to encourage my colleagues to join me in congratulating Mr. John Q. Hammons of Springfield, Missouri, who celebrated his 80th birthday on February 24, 1999. John is truly a remarkable individual. He has witnessed many events that have shaped Springfield. In fact, John has contributed significantly to the growth and spirit of Springfield through his donations to construct and improve such places as schools, hospitals, and theaters. His generosity and personal participation in the life of the community have benefited us all.

Mr. Hammons' celebration of 80 years of life is a testament to me and all Missourians. His achievements are significant and deserve to be recognized on this special occasion. I would like to join his many friends and relatives in wishing him good health and happiness in the future.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business Friday, March 5, 1999, the federal debt stood at \$5,652,546,580,761.78 (Five trillion, six hundred fifty-two billion, five hundred forty-six million, five hundred eighty thousand, seven hundred sixty-one dollars and seventy-eight cents).

One year ago, March 5, 1998, the federal debt stood at \$5,528,530,000,000 (Five trillion, five hundred twenty-eight billion, five hundred thirty million).

Fifteen years ago, March 5, 1984, the federal debt stood at \$1,473,914,000,000 (One trillion, four hundred seventy-three billion, nine hundred fourteen million).

Twenty-five years ago, March 5, 1974, the federal debt stood at \$468,399,000,000 (Four hundred sixty-eight billion, three hundred ninety-nine million) which reflects a debt increase of more than \$5 trillion—\$5,184,147,580,761.78 (Five trillion, one hundred eighty-four billion, one hundred forty-seven million, five hundred eighty thousand, seven hundred sixty-one dollars and seventy-eight cents) during the past 25 years.

MORRIS K. UDALL

Mr. HOLLINGS. Mr. President, yesterday this body paid tribute to one of

the greatest men to serve in Congress in the twentieth century, Morris "Mo" Udall from Arizona. Yesterday, I was proud to sign the resolution honoring him, and I would like to pay tribute to him now.

Mo Udall was a giant. For thirty years, he straddled politics in Arizona and America. He was a statesman as well as a legislator, and an intellectual as well as a politician. Although Mo believed passionately in many causes and was a Democrat through and through, his wit and warmth helped him forge many productive, bipartisan relationships with his colleagues across the aisle. Mo's intelligence, commitment, and personal touch helped him create a legislative legacy that still shines bright today, almost forty years since he entered the House of Representatives.

As everyone who follows public affairs knows, Mo Udall hailed from a family with a rich tradition in politics and public service. His ancestors were pioneers who helped transform the Arizona Territory into a great state. Mo entered Congress after winning a special election in 1961 to replace his brother, Stewart, whom President Kennedy had tapped to head the Department of the Interior.

Today, the Udall name continues to resonate in Congress. Mo's son, MARK, and his nephew, TOM, both were elected to the House in 1998. I know they will carry on the great tradition of public service and Congressional achievement set by their fathers.

Mo was such a modest and easy-going man that one sometimes overlooks the enormity of his legislative record. After rising to the chairmanship of the Committee on Interior and Insular Affairs, a position he held until his retirement in 1991, Mo wrote much of the nation's most important environmental legislation. He pushed through important regulations concerning land, water, mineral, and timber use. Mo also helped reform America's postal system and our campaign finance laws, and he was instrumental in reforming the seniority system in Congress.

In addition to being a great legislator, Mo Udall was a great man. He bridged divisions and always sought to bring people together to work for the good of the country.

Like many of my colleagues, I believe Mo's wit and self-deprecating manner were largely responsible for his successes. Perhaps the best way to illustrate his humor is to relate a joke he loved to tell about one of his campaign visits to New Hampshire during his 1996 Presidential race. At one stop, Mo approached a group of men to tell them he was running for President, only to be told, "Yes, we were just laughing about that."

Mr. President, if ever a public servant deserved to be taken seriously, it was Mo Udall. It is a sign of his stature

as a man that despite his many accomplishments, he never took himself too seriously.

Today I am honored to pay my respects to my friend Mo Udall, whose legacy of public service and bipartisan achievement will be remembered for many lifetimes.

TRIBUTE TO CHARLES PAONE OF REVERE, MASSACHUSETTS

Mr. KENNEDY. Mr. President, next week, on March 17th, St. Patrick's Day, one of Revere, Massachusetts' finest sons, Charles Paone, will celebrate his 90th birthday. Charlie, as he is known by his many friends, has spent most of his life in his hometown of Revere. He graduated from Immaculate Conception High School in 1927, and went on to Georgetown University, graduating in 1931. After college, Charlie returned to Massachusetts and attended Boston College Law School, receiving his law degree from that outstanding college in 1935.

Charlie was inducted into the Army in 1942, where he served with distinction in the 209th Counter Intelligence Corps. He's been a member of the American Legion for more than 50 years, and he's been very active in his post. He has also been a member of the Knights of Columbus for more than 60 years, and is a past Grand Knight. In 1981 he retired from the Revere Public School System after four decades of outstanding service.

Charlie is loved by his family and friends as a wonderful role model who is always willing to go the extra mile for those in need, whether it's helping someone with their taxes or providing a ride to the local store for groceries. And, of course, all of us in the Senate know Charlie's nephew Marty, who does an excellent job as our Secretary for the Minority.

In many ways, our country is great today because of Americans like Charlie of the World War II generation. They served their country far above and beyond the call of duty in the war, and they came back from the war to rebuild the nation on the home front and make America the great country it is today. Tom Brokaw, in his current number one best-seller, calls them "The Greatest Generation," and it's leaders like Charlie that he's writing about.

It's a privilege to join Charlie's family and friends in wishing him a very happy 90th birthday and a very happy St. Patrick's Day, and to commend him for all that he has done for his family, his friends, his community, and our country.

BENJAMIN H. HARDY, JR.

Mr. COVERDELL. Mr. President, I am honored to rise this morning to pay tribute to a distinguished American