our Nation’s public health infrastruc-
ture. We must continue to fight infec-
tious diseases and ensure that this legis-
lation is enacted to help protect our
citizens and provide them with the
healthiest food possible.

AGRICULTURAL TRADE FREEDOM ACT

Mr. LEAHY. Mr. President, I would like to take a moment to voice my sup-
port for S. 566, the Agricultural Trade Freedom Act, which was passed out of
the Senate Committee on Agriculture, Nutrition and Forestry this morning
on a 17–1 vote. I appreciate Senator LUGAR’s strong leadership on these
trade and international issues.

More than any other industry in America, agriculture is extremely de-
pended on international trade, almost one-third of our domestic agricul-
tural production is sold outside of the United States. Clearly, a strong
international market for agricultural commodities is therefore of utmost im-
portance to our agriculture economy.

As those of us who hail from agricul-
tural states know, the business of
agriculture in America reaches far be-
yond farmers alone. There are many rural businesses, such as feed stores,
machinery repair shops and veterinarian-
ians, who depend on a strong agricul-
tural economy. And when we discuss
international trade, there are many na-
tional businesses, such as agricultural
exporters, which are greatly impacted
by our trade policies.

Despite the importance of these
international markets, agricultural
commodities are occasionally elimi-
nated from potential markets because of
U.S. imposed unilateral economic sanctions against other countries.
These economic sanctions are imposed
for political, foreign policy reasons.
Yet there is little to show that the in-
clusions of agricultural commodities in
these sanctions actually have had the
intended results. The question now
emerging from this policy is who is ac-
tually hurt by the ban on exporting
commercial agricultural commodities,
and should it continue?

American farmers and exporters ob-
viously face an immediate loss in trade when
unilateral economic sanctions are imposed. Perhaps even more dev-
astating, however, is the long-term loss
of the market. Countries who need ag-
icultural products do not wait for
American sanctions to be lifted; they
find alternative markets. This often
leads to the permanent loss of a mar-
ket for our agriculture industry, as
new trading partnerships are estab-
lished and maintained.

Our farmers, and the rural businesses
and agricultural exporters associated
with them, are consequently greatly
hurt by this policy. The Agricultural
Trade Freedom Act corrects this pro-
blem by exempting commercial agricul-
tural products from U.S. unilateral
economic sanctions. The exemption of
commercial agricultural products is
not absolute; the President can make
the determination that these items are
indeed a necessary part of the sanction
for achieving the intended foreign poli-
cy goal. In this situation, the Presi-
dent would be required to report to
Congress regarding the purposes of
the sanctions and their likely economic
impacts.

Recently, the administration lifted
restrictions on the sale of food to
Sudan, Iran and Libya—all countries
whose governments we have serious
disagreements with. It did so, and I am
among those who supported that deci-
sion, because food, like medicines,
should not be used as a tool of foreign
policy. It is also self-defeating. While
our farmers lost sales, foreign farmers
made gains.

Unfortunately, the administration
did not see fit to apply the same rea-
soning to Cuba. American farmers can-
not sell food to Cuba, even though it is
only 90 miles from our shores and there
is a significant potential market there.
This contradiction is beneath a great
and powerful country, and Senator
LUGAR’s legislation would permit such
sales. The administration should pay
more attention to what is in our na-
tional interests, rather than to a tiny,
vocal minority who are wedded to a
policy that has hurt American farmers
and the Cuban people.

The Agricultural Trade Freedom Act
maintains the President’s need for
flexibility in foreign policy while sim-
ultanously recognizing the impact
that sanctions may have on the agri-
cultural sector. This recognition is
supported by dozens of organizations
including the National Association of
State Departments of Agriculture, the
U.S. Dairy Export Council, the Na-
tional Milk Producers Federation, and
the National Association of

In closing, I would like to thank Sen-
ator LUGAR for his leadership on this
issue. I was pleased to join with him,
the ranking member, Senator HARKIN,
the Democratic Leader, Senator DASCHLE, Senator CONRAD and others
in this effort, and I look forward to
working with them and all members of
the Senate to see that this measure be-
comes law.

THE GUN SHOW LOOPHOLE

Mr. LAUTENBERG. Mr. President, I ask
unanimous consent that a copy of a
letter from the International Broth-
erhood of Police Officers, in support
of my amendment to close the gun show
loophole, be printed in the RECORD.
There being no objection, the letter
was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL RECORD—SENATE

INTERNATIONAL BROTHERHOOD
OF POLICE OFFICERS,

Hon. FRANK LAUTENBERG,
U.S. Senate, Washington, DC.

DEAR SENATOR LAUTENBERG: The Inter-
national Brotherhood of Police Officers
(IBPO) is an affiliate of the Service Employ-
ees International. The IBPO is the largest
peace union in the AF

On behalf of the entire membership of the
IBPO, I am writing to express our support for
your amendment that would close the gun show
loophole. Every year, there are ap-
proximately 4,000 gun shows across the coun-
try where criminals can buy guns without a
background check. This problem arises be-
cause while federally-licensed dealers sell
most of the firearms at these shows, about 25
percent of the people selling firearms are not
licensed and they are not required to comply
with the background check as mandated by the
Brady Law.

The “Lautenberg amendment” will close
the gun show loophole and help law enforce-
ment trace illegal firearms. The police offi-
cer on the street understands that this legis-
lation is needed to help shut down the deadly
supply of firearms to violent criminals.

Sincerely,
KENNETH T. LYONS,
National President.

FINANCIAL SERVICES
MODERNIZATION ACT OF 1999

Mr. BRYAN. Mr. President, I want to
voice my disagreement with a portion
of Senate Report Number 106–44, which
accompanied S. 900, the Financial
Services Modernization Act of 1999. The
Report describes an amendment that I
offered that was adopted by a unani-
mos vote of the Senate Banking Com-
mittee during its consideration of S.
900. I want to explain what I intend
that amendment to mean and how I in-
tend its language to be interpreted.

At issue is the standard for deter-
mining whether State laws, regula-
tions, orders and other interpretations
regulating the sale, solicitation and
cross-marketing of insurance products
should be preempted by federal laws
authorizing insurance sales by insured
depository institutions and their sub-
сидaries and affiliates. Since the incep-
tion of the national banking system,
the insurance sales powers of national
banks have been heavily restricted. In
addition, since the inception of the In-
surance Industry in this country, the
States have been the virtually exclu-
sive regulators of that business. Al-
though S. 900 seeks to tear down the
barriers that separate the banking, in-
urance and securities industries, at the
same time it seeks to preserve func-
tional regulation. This means that the
extensive regulatory systems that have
been developed to protect con-
sumer interests in each area of finan-
cial services should be retained.

For that reason, one of the principles
of the proposed legislation is to ensure
that the activities of everyone who en-
gages in the business of insurance
should be functionally regulated by the
Mr. SARBANES. I wish to associate myself with the statements of my colleague, Senator Bryan, the author of the amendment I am proposing before the Banking Committee. My understanding in voting for his amendment was that it codified the Barnett Bank standard for preemption of State laws. The Committee Report accompanying S. 900 seeks to amplify or adopt a version of the Barnett Bank standard. I would like to ask the Senator from Nevada whether the gloss put on the “prevent or significantly interfere” standard in the Committee Report is one that is in line with the amendment.

Mr. BRYAN. My colleague from Maryland asks a perceptive question. The Committee Report attempts to clarify the core preemption standard in a way that is contrary to the meaning of the language. In page 15 of the Report, it states that State laws are preempted not only if they “prevent or significantly interfere with a national bank's exercise of its powers” but also if they “unlawfully encroach on the rights and privileges of national banks;” if they “destroy or hamper national banks’ functions;” or if they “interfere with or impair national banks’ efficiency in performing authorized functions.” The clauses after the initial reinterpretation of the standard are paraphrases of the holdings of the cases cited in Barnett.

As I noted earlier, I intentionally omitted any amplification of the Barnett standard. In addition, the last paragraph (regarding “efficiency”) is correct and harmful. It is incorrect because it implies that it applies to any authorized function. In fact, the case cited by the Supreme Court in Barnett said that a State cannot impair a national bank's discharge of its duties to the government. The last paragraph is harmful because it could dramatically expand the scope of the preemption provision. It could do so if read to prohibit the application of any State law that harms a national bank's or its affiliate's or subsidiary's efficiency in selling insurance. The Barnett opinion does not support any such reading. Moreover, in this language had been suggested as an amendment to my amendment, I would not have supported it because it amplified the 13-point safe harbor, the bill does not limit in any way the application of the Supreme Court's Barnett Bank decision. State laws outside the safe harbor could be challenged under that decision. This year's Committee Report incorrectly describes the standard that State laws must meet under Barnett Bank.

Finally, I fell compelled to note that page 15 of the Committee Report states that nothing in the preemption provisions can be read to require licensure of the bank itself, only of employees acting as agents. While this is technically true, it creates some potential confusion with the core licensure requirement. This should be read as allowing institution licensure so long as that licensure does not “prevent or significantly interfere with” the exercise of authorized insurance sales powers.

Mr. SARBANES. I would like to point out that the language of the amendment offered by my colleague from Nevada was previously explained in the Report of the Banking Committee that accompanied H.R. 10 last year. As an example, the Committee Report note that one of the safe harbors outside the 13-point safe harbor, the bill does not limit in any way the application of the Supreme Court's Barnett Bank decision. State laws outside the safe harbor could be challenged under that decision. This year's Committee Report incorrectly describes the standard that State laws must meet under Barnett Bank in order to avoid being preempted.

Mr. BRYAN. In closing, I should say that I would have brought my concerns regarding the Committee Report directly to the Committee Chairman, Senator Gramm, and his staff but I did not have the opportunity to read the Committee Report language discussing my amendment prior to its publication.