

instituted to prevent misuse, and if insufficient further lending should be halted.

This bill would also improve transparency by requiring a reorganization of the public financial statements of the Fund. As a former IMF research director recently observed, "the Fund's jerry-built structure of financial provisions has meant that almost nobody outside and, indeed, few inside, the Fund understand how the organization works, because relatively simple economic relations are buried under increasingly opaque layers of language. This is the very point I have made for over two years in pressing for greater transparency in IMF finances, and it is good to see agreement on this point.

Over the last two years our research at the JEC has uncovered a number of fascinating facts about how the IMF is financed, IMF subsidies, and IMF lending practices. I look forward to a substantive and vigorous debate on IMF reform based on this research and facts. There will be other points of view and other legislative ideas, but I am convinced that this bill includes the right basic ingredients of IMF reform. As usual, I plan to use every opportunity to advance these ideas into law, as with the IMF reforms enacted into law in 1998 and 1999.

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268TH BIRTHDAY OF GEORGE  
WASHINGTON

**HON. BENJAMIN A. GILMAN**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, February 29, 2000*

Mr. GILMAN. Mr. Speaker, earlier this month we marked the 268th anniversary of the birth of the Father of our Nation, General George Washington.

It is regrettable that the establishment of "President's Day" as a national holiday has put onto the back burner the remarkable achievements of this incredible, irreplaceable American. I understand that one of our automobile companies commemorated "President's Day" by having an actor disguised as General Washington blow out 269 candles on a faux birthday cake. Considering that this auto company couldn't be bothered to get the number of the year correct, we can imagine to our consternation the other injustices perpetrated against the man who was "first in war, first in peace, and first in the hearts of his countrymen."

Last week, I was honored to be asked to deliver brief remarks at the celebration of Washington's Birthday at the Masonic Historic Site in Tappan, NY, in Rockland County in my Congressional District.

I would like to share with my colleagues my remarks delivered at that time, and insert them into the RECORD at this point:

REMARKS BY REP. BENJAMIN A. GILMAN, 20TH DISTRICT—NY, FEBRUARY 20, 2000

Right Worshipful Ambrose R. Kurtzke; Right Worshipful Grand Chaplain John H.R. Jackley Jr.; Brother Masons; Friends:

We are gathered today, as we have gathered every February, to commemorate the birth of the greatest American of all time, and our Brother Mason, General George Washington.

Two hundred years ago this month, Masonic Lodges throughout the United States gathered to pay tribute to President Washington's 268th birthday. Those commemorations in the year 1800 were bittersweet, for Brother Washington had passed away two months earlier, having died of what was apparently a strep throat on December 14, 1799.

Soon after his death, Richard Henry Lee, a Congressman from Virginia, declared on the floor of Congress that Washington was "first in war, first in peace, and first in the hearts of his countrymen."

No truer words were ever spoke.

George Washington's record as our nation's Commander in Chief during our War for Independence was incredible. With a small, ragged force, he skillfully brought the greatest military power on the face of the earth at that time to its knees. He did this despite the fact that his Army was ill equipped, ill financed, and that he was constantly the target of intrigues to replace him.

At the end of the Revolutionary War, Washington set an example for all time by refusing to allow his Army to set him up as dictator of the United States—a temptation that no military ruler in other nations has been able to resist.

He turned down the crown of the United States at his New Windsor encampment, just a few miles north of here, in Orange County, NY.

In peacetime, George Washington lent his great prestige to the cause of establishing a strong central government. Many historians contend that our Constitution would never have been ratified had not our state governments been confident that George Washington would be our first president.

And, Brother Masons, I regret to note that in the face of some revisionist historians out to make a name for themselves by denigrating Washington's good name, it has become our responsibility to make certain that George Washington remains "first in the hearts of our countrymen."

It is our task and responsibility to make certain the truth about this saintly man will not be forgotten.

Have a happy Washington's birthday. Thank you and God Bless!

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A SALUTE TO HAROLD TAYLOR

**HON. FORTNEY PETE STARK**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, February 29, 2000*

Mr. STARK. Mr. Speaker, I rise today to pay tribute to a good friend of mine, Harold Taylor. He is an advocate for all ages who provides leadership and inspiration to many in my 13th Congressional District of California. Both Harold and his wife, Marie, dedicate a great deal of time and effort helping people and organizations in their community.

Harold's involvement spans a wide variety of activities. He has held leadership positions with the Boy and Girl Scouts, the American Association of Retired Persons (AARP), and the California Retired Teachers Association (CRTA). In addition, Harold has spent over twelve years advocating health insurance issues for seniors on the state level.

In his work for the California Retired Teachers, Harold demonstrated true leadership in educating and lobbying Members of Congress for a correction in the Medicare Part A Hos-

pital buy-in provision, which will help thousands of retired teachers obtain affordable health insurance. His lobbying and persuasive presentations were the key to several hundred million dollars worth of improvements in the program for teachers nationwide, and especially those in California.

Educating and interacting with children has always been a priority for Harold. He spent thirty-four years teaching physical education and special education classes to elementary school children. Additionally, Harold has coached basketball and little league, taught Sunday school, acted as a youth group counselor, and has worked with the San Lorenzo Community Organizing Committee.

One of Harold's most recent successes has been his involvement in planning a fundraiser for the Family Emergency Shelter Coalition (FESCO). Two years ago, the Volunteer Center announced it would not be holding the annual Human Race Walkathon, FESCO's largest fundraiser. Being his usual take-charge self, Harold announced that FESCO could do the walkathon on its own, and so was born the Shelter Shuffle. Harold's great leadership and organizational skills made the Shelter Shuffle FESCO's most successful walkathon ever.

All of Harold's contributions and successes have not gone unrecognized over the years. His fame started many years ago when he was inducted into the Athletic Hall of Fame in Chico for basketball and track. His dedication to improving and expanding the Boy Scouts in the Tres Ranchos area awarded him the Silver Beaver Award, one of Scouting's highest honors. Finally, last year, Harold was nominated for an award at Hayward's Volunteer Dinner in recognition for his service.

Harold's love and interest in helping and interacting with others continues to be the force behind his dedication and his actions. I ask my colleagues to join with me today in recognizing and honoring Harold Taylor as a true leader whose example inspires others to work towards a greater good in their communities.

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FAMILY AND MEDICAL LEAVE

**HON. DOUG BEREUTER**

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, February 29, 2000*

Mr. BEREUTER. Mr. Speaker, this Member highly commends and submits for the RECORD this February 15, 2000, editorial from the Omaha World Herald regarding attempts by the Clinton Administration to require businesses to provide paid family and medical leave for employees.

[From the Omaha World-Herald, Feb. 15, 2000]

NO ONE THERE TO PAY

Government-mandated family leave policies cause a particular difficulty for people who want government to do a great deal more to make life comfortable: No readily tappable reservoir of money exists to conveniently cover the costs.

Currently people must go without pay if they exercise their rights under the 1993 federal law entitling them to 12 weeks away from work each year for family reasons. The

time off can be used to care for a sick family member or bond with a newly adopted or newborn child.

The original promoters of family leave in the 1980s said "No, never" when they were accused of planning to slip in a paid-leave requirement later. Now, predictably, "No, never," has turned into "Unfair—some people can't afford to take time off without pay."

However, a majority of Congress has never bought into the idea that government should force employers to keep the paychecks coming for extended family leave. Moreover, the thought of taxing the general public has also been a non-starter—it raises such questions as why a family that sacrificed to have a stay-at-home caregiver should pay higher taxes to subsidize the paid leave of a two-earner family.

Thus when President Clinton came around to paid family leave on the list of social programs he wants to leave as a legacy, he used an indirect approach. He said he would ask Congress for \$20 million in grant money to encourage state governments to find a way to pay people who took time off. He had previously suggested raiding accounts currently used to compensate the jobless and temporarily disabled workers—accounts that in many states are flush because of economic growth and low unemployment in recent years. But other creative ideas are encouraged, he said.

It's always easy to be generous with someone else's money, but in our opinion Congress shouldn't even start down that road. Unemployment and disability funds aren't a windfall and shouldn't be treated as one. Much of the money in the fund resulted from a special tax collected only from businesses. Industries with a history of more layoffs paid proportionately more.

In theory, the special tax rates are lowered when a healthy balance exists in the jobless accounts. Businesses would have a legitimate complaint if they were forced to continue to pay because the fund was drawn upon for reasons other than those for which it was established. And what happens if a recession sends unemployment soaring and the fund is drawn down to pay for family leave? How healthy would it be to raise business taxes still higher at the very time the vitality of the job-producing sector is under stress?

The president showed a glimmer of understanding when he noted that his widowed mother was able to get job training because his grandparents cared for him while she attended school. No federal mandates were involved. But Clinton quickly dismissed the significance of that saying that his family had been lucky. He contends that a federal mandate is needed because not everyone has that kind of luck.

As past editorials in this space have noted, Clinton's lack of firsthand experience with the private sector undermines his credibility on workplace issues. He said no American worker should have to choose between job and family. But such choices are made all the time. Balancing the various parts of one's life is a normal part of adulthood.

And it's by no means a one-sided choice. Long before family leave was invented as a liberal political cause, fathers and mothers were dealing with such issues with the help of extended families, carefully scheduled vacations, generous workplace friends and kind neighbors.

Sympathetic employers—the kind whose existence is seldom acknowledged by the left—also played a role in helping people

manage. Competitiveness was also a factor. In a 1987 survey, 77 percent of 1,000 companies indicated that they already had formal or informal family leave policies. In some cases, employees were compensated while taking time off.

So, long before Congress passed the original family leave law, the private sector was already moving forward. It would be interesting to know if this initiative has accelerated—or slowed—in the years since the government served notice that it was taking over the field.

## HOUSING FINANCE REGULATORY IMPROVEMENT ACT OF 2000

HON. RICHARD H. BAKER

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 29, 2000

Mr. BAKER. Mr. Speaker, today, Chairman LEACH and I introduce a bill to improve the regulation of the three housing GSEs: FannieMae, FreddieMac, and the Federal Home Loan Banks.

The bill is designed to implement a GAO recommendation to consolidate GSE regulation into one independent board. Currently, three agencies regulate the three housing GSEs. The Federal Housing Finance Board regulates the Federal Home Loan Banks for safety and soundness and mission compliance. HUD regulates the mission compliance of FannieMae and FreddieMac; the Office of Federal Housing Enterprise Oversight regulates them for safety and soundness.

Based on several studies it conducted, GAO found that the creation of a single regulator to oversee both safety and soundness and mission compliance of the housing GSEs would lead to improved oversight. GAO identified these advantages:

A single regulator could be more independent and objective than the separate regulatory bodies and could be more prominent than either OFHEO or FHFB.

The regulators' expertise in evaluating GSE risk management could be shared more easily within one agency.

A single regulator would be better positioned to be cognizant of specific mission requirements, such as special housing goals or new programs, and should be better able to assess their competitive effect of all three housing GSEs and ensure consistency of regulation for the GSEs.

GAO analyzed different regulatory structures that could be used for a single housing GSE regulator. It found that an independent, arm's-length, stand-alone regulatory body headed by a board would best fit its criteria for an effective regulatory agency. GAO cited these advantages:

An independent regulatory body should be positioned to achieve the autonomy and prominence necessary to oversee the large and influential housing GSEs.

Using a board would enable Congress to provide for representation that could help ensure the regulator's independence and provide appropriate balance and expertise in the regulators' deliberations of both safety and soundness and mission-related issues.

A board could be structured to provide equal links to HUD, due to its role in housing policy, and Treasury, due to its roles in finance and financial institution oversight.

I believe that an independent board consisting of five persons, including representatives from HUD and Treasury, is a more effective oversight agency for the three housing GSEs than the current regulatory system. The Federal Home Loan Banks, FannieMae, and FreddieMac have essentially the same mission: to provide access to mortgage credit for families throughout the United States. We should not have inconsistent regulations for them.

In short, the bill seeks to improve supervision and to diminish the systemic risk of FannieMae, FreddieMac, and the Federal Home Loan Banks. The provisions in the bill intend to do the following:

1. Consolidate regulation of the three housing GSEs.

2. Reform the approval process for new GSE initiatives.

3. Limit GSEs' non-mission related investments.

4. Remove each GSE's line of credit with the Treasury.

5. Impose uniform risk-based capital requirements on the GSEs.

6. Require annual credit ratings of each GSE.

7. Puts into statute the current GSE practice of maintaining the conforming loan limit to reflect downward movement in average home prices.

8. Equalize the capital treatment of GSE and private-label mortgage-backed securities.

9. Study the exposure of the deposit insurance funds to GSE failure.

10. Gives authority to the new regulator; the power to appoint a receiver in case of GSE failure.

Times of crises are never the best time to act because the focus is on past problems rather than on future risks. We must not forget the painful lessons from the 1980s. Taxpayers can be put at risk during systemic downturns in economic activity. The recommended actions in my legislation are intended to protect your constituents from paying another tax dollar for events beyond their control, even in the case of GSEs. It is best to act now while our GSEs are healthy.

The housing GSEs are large and growing larger. The total obligations of the three housing GSEs is about half of our \$5.6 trillion federal debt. To assure they remain healthy throughout economic downturns and that taxpayers are never called upon to bail out GSEs, my bill aims to improve their supervision.

I hope that the House of Representatives consider the merits of my legislation as I conduct a series of hearings.

### SECTION BY SECTION ANALYSIS

A Bill to consolidate and improve the regulation of the housing-related government-sponsored enterprises and for other purposes  
TITLE I—HOUSING FINANCE OVERSIGHT BOARD  
SUBTITLE A—IMPROVEMENT OF SUPERVISION

#### Sec. 101. Establishment of Board

The Housing Finance Oversight Board is established as an independent agency in the executive branch. The Board succeeds to the